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U.S. carbon dioxide emissions declined by an estimated 11 percent between 2007 and 2018, largely due to market driven and voluntary reductions such as improved energy efficiency and shifts from coal to natural gas by the electric utility sector.

Nonetheless, some regional and state government policies are being considered or implemented across our nation to reduce greenhouse has (GHG) emissions. These policies must balance environmental, social and economic concerns to ensure that our nation’s economy and that the paper and wood products industry remain globally competitive. They also should recognize the industry’s unique role and early actions to reduce GHG emissions, including the efficient production and use of large quantities of carbon-neutral biomass energy, sustainable forest management and procurement practices, carbon sequestration, electricity generation and paper recycling.

Policy Recommendations:

Policymakers should reassess the need for GHG regulations in light of ongoing, market-driven GHG reductions, and any regulations should ensure least cost compliance and electricity reliability.

The Clean Power Plan (CPP) federal regulation of GHG emissions from existing electric utilities under the Clean Air Act (CAA) was stayed by the Supreme Court in February 2016. Nonetheless, the nation has achieved significant GHG reductions, as stated above.

The forest products industry manufacturing sector spent almost $9 billion on electricity and purchased fuels in 2016. We operate in a highly competitive global market, and energy cost increases can significantly harm the competitiveness of our industry and our ability to provide high-paying manufacturing jobs in the many rural communities in which we operate.

The CPP also sought emissions reductions that are beyond the U.S. Environmental Protection Agency’s (EPA) legal authority. For example, it included “beyond the fence line” measures that seek emission reductions at unreasonable costs and decrease the reliability of the electric system. This could set an adverse precedent for potential GHG regulation of our industry.

In light of these flaws, AF&PA supports the EPA’s repeal of the CPP and its promulgation of the Affordable Clean Energy (ACE) rule. ACE is less costly than the CPP, and its “inside the fenceline” approach is consistent with EPA’s authority under the Clean Air Act. Under that approach, EPA did not include biomass as a compliance option; the Agency intends to address the carbon neutrality of biomass in a subsequent rulemaking.

2020 Goal: At least a 20 percent reduction of our members’ GHG emissions from the 2005 baseline.

Between 2005 and 2016, AF&PA members reduced GHG emissions by 19.9 percent, nearly reaching our 2020 goal.
Some states are developing GHG policies. AF&PA does not support such actions, but if a state should move forward, it must ensure they are adopting least-cost approaches.

**Forest Products Industry’s Use of Biomass Should Be Recognized as Carbon Neutral**

Our industry’s production and use of renewable biomass energy are all part of the sustainable carbon cycle. In April, 2018, EPA issued a policy statement that recognized the benefits of using forest biomass for energy production and signaled that the Agency “would treat the biogenic carbon dioxide emissions associated with the use of forest biomass for energy by stationary sources as ‘carbon neutral’” in the future. The statement cited the May 2017 appropriations legislation directing EPA and the Departments of Agriculture and Energy to establish clear and consistent policies reflecting the carbon neutrality of forest-derived bioenergy. Congress enacted identical legislation in March of 2018 and again in February 2019.

AF&PA supports the EPA policy and Congressional directive. As the leading producer and user of biomass energy, with about two-thirds of our power generated from forest-based, renewable biomass, we urge EPA to issue a regulation to fully implement the policy as soon as possible.