



Energy Policies Essential to Competitiveness

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Energy cost savings and the use of renewable energy are fundamental energy management objectives of pulp, paper, packaging, tissue and wood products manufacturers. The industry is a leader in the generation and use of renewable energy and highly-efficient combined heat and power (CHP) or cogeneration technology.

- Pulp, paper, packaging and wood products facilities account for 62 percent of the renewable biomass energy consumed by all manufacturing sector facilities.
- Pulp, paper, packaging and wood products mills produce one third of the CHP electricity generated by manufacturing facilities. In fact, 98.5 percent of electricity produced by the industry is CHP-generated.

Purchased energy is a major manufacturing cost for the paper and wood product industry even though the industry is the largest manufacturing sector producer and user of renewable biomass energy. In fact, in 2016, the industry spent almost \$9 billion on purchased energy.

AF&PA supports policies that:

- Reduce the cost of energy and thereby enhance the industry's competitiveness by encouraging fuel diversity, increasing access to supplies both on and offshore, investing in breakthrough technologies and promoting conservation.
- Encourage power generation from highly-efficient energy sources, such as CHP facilities.
- Fairly compensate demand response resources, which are a cost-effective way to reduce electricity demand, thereby reducing costs for all rate payers.

Greenhouse gas regulation could increase energy costs and decrease the reliability of the electric system. AF&PA supports the administration's proposed Affordable Clean Energy (ACE) rule to replace the Clean Power Plan.

While the organized Regional Transmission Organization/Independent System Operator markets can be improved, their existing policies have ensured the reliability and resilience of the grid. Accordingly, we do not support resilience proposals, which would subsidize certain "baseload" power, driving up electricity costs for consumers and harming our competitiveness.



2020 Goal:

At least a 10 percent increase in members' purchased energy efficiency.

AF&PA members improved their purchased energy efficiency by 11.6 percent between 2005 and 2016, surpassing the goal.

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The American Forest & Paper Association (AF&PA) serves to advance a sustainable U.S. pulp, paper, packaging, tissue and wood products manufacturing industry through fact-based public policy and marketplace advocacy. AF&PA member companies make products essential for everyday life from renewable and recyclable resources and are committed to continuous improvement through the industry's sustainability initiative — Better Practices, Better Planet 2020. The forest products industry accounts for approximately four percent of the total U.S. manufacturing GDP, manufactures nearly \$300 billion in products annually and employs approximately 950,000 men and women. The industry meets a payroll of approximately \$55 billion annually and is among the top 10 manufacturing sector employers in 45 states. Visit AF&PA online at afandpa.org or follow us on Twitter [@ForestandPaper](https://twitter.com/ForestandPaper).

