

Maryland Biofuels Issue – Testimony Template

Before the Maryland House Economic Matters Committee on HB 1102

March 7, 2013

Good Afternoon. My name is Greg Harvey, I work at the NewPage paper company in Luke, MD as a recovery boiler operator and am the President of United Steelworkers local union 676. I'm testifying today to express my and my union's strong opposition to HB 1102.

Paper Mill Biofuels are Carbon Neutral

Our mill at Luke gets more than half its energy from biofuel the mill generates through its production processes. Most of this fuel is spent pulping liquor. The rest bark and unused wood chips left over from the pulping process. If we did not use this material for fuel, it would go into a landfill, and we would be burning more coal than we do now.

Because the spent pulping liquor is used for fuel, the material does not go into the water or landfills, which reduces overall impact on the environment.

Most importantly, for each tree that is brought into the mill, additional trees are planted in the forest. These new trees immediately start absorbing carbon dioxide. They absorb more carbon dioxide than the mill emits when it uses its biofuel. Because, remember, the majority of the biomass that comes into our mill comes out as products, which will store carbon for months, years, sometimes decades and centuries.

When the fuel cycle is managed correctly – as NewPage does - biomass fuel used in our mill and in other pulp and paper mills is carbon neutral, and most reasonable environmental organizations will tell you so if asked. The bill before you would make it more difficult for our mill to use carbon-neutral biofuel. **I urge you to continue supporting carbon-neutral biomass and oppose HB 1102.**

Ending the Biofuel Credit will Weaken the Intended Purposes of the RPS

If the fuel credit is taken away, it will change the economics of fuel use at our mill. It will make the use of coal more economical and the use of carbon-neutral biofuel less attractive. What this would mean is more use of coal and less use of biofuel – a renewable resource - at our mill, which would increase net carbon emissions in Maryland.

HB 1102 makes no sense environmentally or economically, and I urge you to oppose it.

Fuel Costs Could Go Up

This legislation could also serve to make biomass energy more expensive in general. I know that wind energy is a priority for the legislature, and we support a broad energy portfolio for Maryland. Right now, wind energy is getting the vast majority of Maryland's renewable fuel credits, and continuing the biomass-based sources as Tier I will serve to keep prices of renewable fuel low, as they should be.

If this bill were to pass and biofuels were to move to Tier II, it would mean less availability of renewable energy credits and a likely spike in the price of those credits. Any time you make something valuable less available, the price is sure to go up. Comments to the contrary strike us as naïve at best.

The intent of the renewable fuel program is to make renewable fuels available to all at low and reasonable prices. By taking biofuel out of the mix, HB 1102 will have the opposite effect.

Furthermore it will reduce the likelihood that Maryland companies would work to increase the state's reliance on this renewable resource going forward. So it will not only raise costs, it will have the possible effect of suppressing development of renewable fuels.

For these reasons I urge you to oppose HB 1102.

Jobs in Western Maryland Could be Impacted

Right now there are close to 800 union members working at my mill and about 1,000 people total work there. This is 1,000 people in a part of our state where the overall economy is not in good shape right now, who can support their families and who can support local businesses.

Our members pay substantial local, state, and county taxes. We do business at local and regional food, hardware and clothing stores, we eat out in local restaurants. We patronize many other local businesses. If our jobs were to go away, local and county governments, schools, police and fire would be impacted. Local businesses that depend on us and our families would be hurt as many of us suffer from reduced incomes, or are forced to move away.

New Page itself does a great deal of business with local suppliers of industrial and office equipment, suppliers of raw materials and others. It also pays a lot of state, local and county taxes, so the impact on local and county government, our schools and our police and fire protection would be even more significant. Likewise, the impact on local and regional businesses and the employees who work for them would be even greater.

This is not a totally theoretical possibility. As little as 15 years ago our mill employed well more than 1,500 people. Since then, two paper machines have closed because of unfair imports from Asia. Luke and our county already have felt these impacts. The trade pressure was eased because our union was able - with the company's help - to get the federal government to intervene, but trade and market pressures continue to be severe.

This is not a time when Maryland needs to be saying "no" to this industry and the family-supporting jobs that come with it. The industry needs to be encouraged, as do all existing Maryland industries. Especially an industry that plays such a critical role in Maryland's energy future. In addition to sending a bad message about carbon-neutral renewable biofuel, HB 1102 sends a bad message about jobs in western Maryland. **For these reasons I urge you to oppose HB 1102.**