

What the EPA Draft Determination on Biogenic Carbon Means for the Paper Industry

On November 18, 2014 the US EPA issued a draft “Framework for Assessing Biogenic Emissions from Stationary Sources.” The implications for the US paper industry and its workers of this document are substantial. Important to note and discussed later in this paper is the fact that this is only the beginning of the process the framework must go through before it becomes final.

For many years, there has been controversy about whether or not biogenic emissions (that is emissions from boilers and other equipment that use renewable biomass as fuel) from sources such as pulp and paper mills should count as carbon neutral. Some industry interests contended they always should be considered carbon neutral. Some in the environmental community have taken the position that biomass is never carbon neutral. The USW took a position that biomass fuel from properly-managed forest and other lands is carbon neutral because of the systematic re-planting efforts that renew the forest after each cut.

EPA had given some indication that it would accept this position, but this did not become certain until the agency’s long-delayed release of the draft framework. The position EPA has taken represents a clear victory for the USW, its members in the paper industry and for responsible industry actors.

The Framework Itself

EPA has set up a general mathematical framework to account for such issues as re-planting, loss of biomass in transit, what happens to the biomass (use as fuel v. inclusion in products), emissions that were avoided by the use of biomass as fuel, and a term called leakage that has to do in part with what happens if biomass previously used in products is switched to be used as fuel. In essence EPA’s framework states mathematically what the USW has been arguing all along; biomass properly managed throughout the fuel cycle is carbon neutral and may even help sequester carbon.

Implications for the Paper Industry

USW paper facilities essentially use two kinds of fuel; spent pulping liquors (black liquor) that EPA believes do not have any alternative uses, and hog fuel (bark, chips and sawdust) that EPA believes do have potential uses as products.

With respect to the use of black liquor as a fuel the position taken in this draft framework is that black liquor is carbon neutral. Because pulping liquors not recycled from the recovery operation would have to be manufactured off-site, thus causing additional carbon emissions, EPA’s position is that the use of black liquor as fuel contributes to the sequestration of carbon beyond being carbon neutral. If this position stands it is an unambiguous positive for the paper industry.

With respect to hog fuel, EPA is concerned that some units might divert chips, bark and sawdust that they previously had sold to be made into products to fuel use. This is not a significant issue for paper mills that typically have used such materials as fuel, and have not sold them to other manufacturers for use in products. For solid wood operators this may be a little different. If these units were to divert for use as fuel some of the chips, bark and sawdust that they had previously been using as products, EPA suggests it would not count that part of the biomass use as carbon neutral, because the company presumably would have to cut on additional land to keep up its product flow. EPA would count this as leakage in its mathematical formula.

This EPA position does not seem to affect USW units directly. Nevertheless the USW position would be that if additional lands were put to working forest use by the company and managed correctly there is no reason that biomass from these newly-managed forests would not be either carbon neutral or helpful in the sequestration of carbon. The USW should consider whether or not this is an issue on which it would like to offer substantive comment to the EPA.

Where do We Go from Here

The draft framework now is out for comment. Certainly the USW should support the EPA's current position on black liquor. As noted above the Union needs also to consider if it needs to offer critical comment on the leakage issue as it applies to hog fuel.

There is certain to be numerous comments offered particularly by industry actors and by environmental organizations anxious to roll back anything that sounds positive of the paper industry's use of biofuel. The USW will need to support EPA to make sure the overall framework stands as written in the draft.

In the meantime where the use of biomass as part of a state's renewable portfolio standard (RPS) is under political attack it makes sense for the Union and its members to make friendly political leaders aware of EPA's view on the renewability issue and to support industry interests making the same argument.