Biomass power plants wary of EPA carbon accounting

JEFF BARNARD - AP Environmental Writer - Associated Press

Oregon and other states with lots of trees have been counting on generating more electricity by burning forest thinnings and logging leftovers as a promising future source of green jobs and renewable energy as well as a way to pay for projects to prevent forest fires.

But a rule issued by the Environmental Protection Agency in May has the biomass industry, and Oregon's congressional delegation, worried that biomass may lose its long-standing green status, and be lumped in with coal as a greenhouse gas polluter.

The rule focuses on big coal-fired plants and oil refineries in counting up just how much greenhouse gas the country releases into the atmosphere.

When the process gets around to considering biomass, the industry fears EPA could decide it is not carbon neutral, and must pay a penalty for the carbon it releases. The extra cost could eliminate profitability for the industry, along with the jobs, renewable energy and forest benefits that come with it.

"The industry would be stopped in its tracks if it is regulated like a coal plant," said Bob Cleaves, president and CEO of the Biomass Power Association, which represents 80 facilities in 20 states that employ 18,000 people.

The EPA said their greenhouse gas accounting has not reversed the position that biomass combustion is carbon neutral, but the agency will gather information on the issue and decide whether it is still justified.

Then the agency will see how that applies to permitting under the Clean Air Act. It has yet to lay out a format or timetable for this work.

Nonetheless, last month U.S. Rep. Peter DeFazio, D-Ore., and more than 60 other members of Congress from biomass states sent a letter to the EPA demanding that the agency keep the carbon-neutral rating for biomass because of its potential as a renewable energy source, for creating jobs and paying for projects to thin forests.

"Do we or do we not move past the fossil fuel economy?" DeFazio said in an interview with The Associated Press. "Do we or do we not get free of imported fossil fuels and oil?"

Oregon is not alone. Most of the 30 states with renewable energy portfolios include biomass as eligible for development incentives, said Redding, Calif., biomass consultant Bill Carlson.

And California is not counting biomass emissions in its own cap-and-trade system, said Gregg Morris of the Green Power Institute in Berkeley, Calif.

A 2007 U.S. Supreme Court ruling gave the EPA the green light for its first hard look at greenhouse gas emissions as a pollutant under the Clean Air Act. Meanwhile, Congress has been slow to act and the Obama administration has been handing out millions in grants to biomass projects — $3 million went to Oregon this month.

"I think this (the regulation issued in May) caught a lot of people by surprise," said Brian Kittler, biomass and bioenergy project director for the Pinchot Institute for Conservation, a forest policy group. "There's a lot of buzz about it. I think it is anyone's guess as to what the next step is."

Burning wood waste for power is a 30-year-old industry that grew out of sawmills in California, which leads the nation with 36 plants, said Phil Reese, chairman of the California Biomass Energy Alliance.

The industry has struggled to expand, said Carlson. Plants operate on tight margins, fuel has been limited, and a key federal tax credit has expired. The recession has made it tough to find financing.

The Biomass Power Association represents 80 facilities in 20 states from Maine to California that employ 18,000 people, said Cleaves. Oregon has eight and Washington six. New England has 18 and Michigan seven.

Nationwide they generate less than 1 percent of the grid, according to the U.S. Department of Energy.

Counting carbon is very complicated, said Morris. Leaving wood to rot or be burned in the open actually produces more greenhouse gases than burning it in a power plant. But the smokestack emissions are higher than for coal. Biomass gets its green label from the idea that the carbon in coal has long been stored in the Earth, and when that is released, it adds to the problem. The carbon in wood is constantly cycling through the atmosphere as trees grow, die and rot, so does not amount to a net addition.

If the EPA's efforts are "scientifically based, they should support the biomass industry," Morris said. "If they require emissions permits for biogenic CO2, that will definitely not benefit the biomass industry. In fact, it would kill it."

Environmental groups say the industry probably has nothing to worry about.

"The EPA is working to develop a grading system that lets biomass winners and losers emerge on the merits," said Ralph Cavanagh, energy program co-director for the Natural Resources Defense Council.

While all biomass was once considered carbon neutral, scientists now see differences, he said. For example, clearcutting a forest to burn for fuel will produce

excess carbon, but burning waste wood and forest thinnings will not.

"I don't think forest waste should have anything to fear from an honest grading system," he said.

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