



Response to Wall Street Journal Article

The July 24 Wall Street Journal, “Wood-Fired Plants Generate Violations,” did not provide a complete or accurate picture of the biomass industry. Rather than focusing on the jobs and clean energy that biomass provides, the story’s reporters focused largely on the violations of one facility that is not a member of Biomass Power Association.

Below is a statement from Bob Cleaves, President & CEO of Biomass Power Association. Following is a list of the Association’s issues with the assertions made in the story.

“Today’s Wall Street Journal article ‘Wood-Fired Plants Generate Violations’ unfairly characterizes the biomass power industry based on one egregiously noncompliant facility and several, much more minor incidents.

“Significant violations of federal and state environmental laws are neither commonplace nor acceptable to the members of Biomass Power Association. Our members pride themselves on full adherence with all laws and regulations. Indeed, we are proud of a strong air quality record that includes a recent EPA Clean Air Excellence Award for Sierra Pacific Industries, a plant in the State of California.

“Our industry provides important economic and environmental benefits. We expect to be held to a high standard of compliance. As an important member of the renewable power community, we also expect to be treated fairly and equally, and to be given the same benefits afforded others. If our Nation is to diversify its energy sources and fully promote domestic sources, it cannot afford to pick winners and losers.”

General:

- Biomass power generated from surplus woody fiber is a significant source of clean energy for our nation. We employ around 15,000 Americans, many of

them in rural areas hardest hit by the economic downturn. Millions of dollars are contributed to local and state taxes, and hundreds of millions of dollars in payroll support these local economies. Our members take our environmental performance seriously and are committed to operating within all required standards. Where a facility falls short, it works hard and fast to return to full compliance.

- California's San Joaquin Valley Air Pollution Control District (referenced in the story), which regulates the largest number of biomass facilities in the country, supports biomass as an integral part of its state and federally mandated emissions reduction strategies. Well-managed biomass plants provide an effective, lower emission alternative to open air burning of agricultural waste. The San Joaquin Valley Air Pollution Control District supports incentives and rate structures that recognize the environmental benefit that the biomass plants provide. Biomass facilities in the San Joaquin Valley face the most stringent emission reduction regulatory controls in the country.

These controls are stringent but fair and our members work hard to consistently comply. We welcome the District's efforts to enforce these rules to ensure that the potential environmental benefit from biomass is achieved.

- The article did not mention the Placer County (CA) Air Pollution Control District, which received an EPA Award for Clean Air Excellence in 2010. The County created a public-private partnership that utilizes biomass to manage local forests, create clean energy and prevent forest fires.
- Recent research that considers the whole life cycle of forests and woody debris as a part of biomass power production shows a significant carbon benefit by replacing fossil fueled power which releases carbon into the atmosphere from permanent storage in the earth. Biomass power emissions are balanced by the carbon capture of the sustainable forests that produce wood used for energy. And the woody debris used for power would otherwise rot or burn and produce an emission without a direct benefit.
- Despite a large community of supportive environmental organizations and a wealth of academic study favorable to biomass, the Environmental Working Group is the only group quoted in the story saying that biomass is "dirtier than coal in certain ways" – yet it does not substantiate that false allegation. EWG is a biomass opponent that has frequently been wrong on the science behind biomass.

Subsidies/Credits:

- As noted in the article, biomass receives disproportionately small federal tax credits and subsidies when compared to the energy that we provide. For example, the Department of the Treasury's 1603 Grant program has

awarded less than 2% of its funding to biomass projects, despite biomass providing about a third of non-hydroelectric renewable electricity.

- We have requested the data used in the article that suggests that the industry has received \$700 million in state and federal funding.
- The reporters claim that, when it comes to federal and state subsidies, "... biomass plants generally qualify along with wind and solar." The fact is that there are many renewable subsidies that either exclude biomass altogether or treat us unfairly relative to other technologies.
- Biomass is a proven and profitable local generator of baseload renewable power, which provides consistent energy that does not depend on weather or other uncontrollable factors. Biomass renewable power avoids open burning and reduces forest fire risk, thus eliminating millions of tons of pollutants that would otherwise occur. Further, as a baseload power source, biomass is often used to back up intermittent sources of energy (like wind and solar) when they are unavailable.

Violations:

- BPA members understand and support the need for environmental performance standards for our operating facilities. We work hard to meet stringent, yet fair, environmental requirements. Mostly, our members meet these requirements. When we fall short, we take this seriously and work hard to prevent reoccurrence of non-compliance.
- Unfortunately, the true picture of our industry's compliance record was not reflected in the story. In painting a picture of an entire industry based on a single facility that is not a member of our association, readers received a view that is inaccurate and incomplete.
- Old Town (not a BPA member) received its subsidies to develop renewable liquid fuels from biomass. This is a different industry than biomass for electrical power and is still in development. These are two industries with separate goals and very different carbon profiles and purposes.
- The Simpson example illustrates how an individual company did take responsible action, once aware of the circumstances causing non-compliance. They identified a solution, corrected it immediately and made assurance for continued compliance.
- As noted in the article, there is a significant expense associated with retrofitting older plants to make them more reliable and compliant with new standards, especially when considering the current low market price of electricity sold to the grid. Often these plants are not eligible for the very

grants, tax credits or subsidies that would help them meet new requirements.