



E. SCOTT PRUITT
ADMINISTRATOR
February 13, 2018

The Honorable Chris Sununu
Office of the Governor
State House
107 North Main Street
Concord, NH 03301

RE: Policy Update on EPA Programmatic Treatment of Biomass and the Forest Products Industry

Dear Governor Sununu:

Understanding the importance of the forest products industry to the State of New Hampshire, and recognizing the environmental, economic, and social benefits our nation as a whole derives from its vast forest resources, I write to highlight the work the Environmental Protection Agency (EPA) has undertaken and is continuing to undertake to advance and promote the responsible use of those forest resources.

On April 13, 2017, in accordance with President Trump's Executive Order 13777, *Enforcing the Regulatory Reform Agenda*, EPA sought comment on those unnecessary regulatory barriers that should be targeted for repeal, replacement, or modification. Among the over 60,000 comments received, members of the forest and forest products community highlighted a number of concerns with EPA's past regulatory treatment of the industry. Top concerns included whether EPA had to date failed to take proper account of the reality that energy derived from biomass may in appropriate circumstances be recognized as carbon neutral; the treatment in Clean Air Act permitting decisions of biogenic carbon dioxide (CO₂) emissions; and the Agency's own procurement recommendations for wood and lumber products.

By way of further background, in 2011, EPA had submitted to the Scientific Advisory Board (SAB) a "Draft Accounting Framework for Biogenic CO₂ Emissions from Stationary Sources." That draft accounting framework sought to identify and outline the scientific and technical considerations that come into play in ascertaining whether the production, processing, and use of biomass materials at stationary sources for energy is indeed carbon neutral. The Agency updated the accounting framework in 2014. Most recently, EPA announced that, after seven years of ongoing review and analysis of this challenging issue, the SAB had yet to reach consensus. The SAB process continues. Meanwhile, the Agency recently received explicit direction from Congress in the *Consolidated Appropriations Act of 2017*, which urged the proactive recognition of biomass as being both carbon-neutral and a source of renewable energy. Spurred on by this congressional action, which had occurred in conjunction with

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Executive Order 13783, *Promoting Energy Independence and Economic Growth*, a multi-agency effort has now been initiated between EPA, the Department of Energy, and the Department of Agriculture, with the focused goal of establishing a mechanism for federal cooperation and consistency on the use of biomass, including forest-derived biomass, for energy.

For its specific part, EPA has incorporated into its ongoing review of and improvement to Clean Air Act permitting programs generally a concerted effort to develop a range of options consistent with a carbon-neutral policy for biomass from forests and other lands and sectors. Unquestionably, by providing certainty for the treatment of biomass throughout the Agency's permitting decisions, the use of biomass energy will be bolstered, to the benefit not only to the forest products industry but the environment as well, while furthering the Administration's goal of energy dominance.

EPA is also developing actions to clarify its own federal procurement recommendations, issued by the prior Administration in September 2015, with an eye towards assessing their value and relevance going forward. Unaccountably, as initially drafted, those recommendations only recognized a single forest certification standard as qualifying for federal procurement opportunities. This had the unfortunate, and wholly unwarranted, effect of making a large majority of responsibly managed forests, including those certified by the Sustainable Forestry Initiative and the American Tree Farm System, ineligible to participate. Today, EPA recognizes there is a much broader reach of responsibly managed forests and so is working to guarantee that any procurement recommendations are consistent with this broader understanding. Additionally, EPA is working to ensure, as appropriate, either parity with or deferral to USDA's preexisting mandatory purchasing requirements for federal agencies set out under its BioPreferred Program.

As you and I both recognize, continuing to be responsible stewards of our nation's forests and lands while utilizing all domestic forms of biomass to meet our energy needs are mutually compatible goals. By further incorporating these sources into an "all of the above" energy portfolio, the Agency will expand the economic potential of our nation's forests, while at the same time ensuring states like New Hampshire are able to determine the best energy sources to meet their local economic and environmental needs. I look forward to continuing to work with you and the broad range of interested stakeholders to provide clarity and incorporate consistent treatment of biomass throughout the range of EPA's regulatory programs.

Sincerely,

E. Scott Pruitt