November 30, 2010

Regional Greenhouse Gas Initiative Participating States

Re: TWS Comments on Regional Greenhouse Gas Initiative Review Modeling

Submitted electronically at info@rggi.org

The Wilderness Society is the leading American conservation organization working to protect our nation's public lands. We recognize that climate change is the primary environmental challenge for this century, and that public and other conserved lands may contribute to a renewable energy future. However, renewable energy policies must also protect the broader environmental values provided by our forested lands. Because of our interest in healthy forests that provide the full array of ecosystem services and are resilient in the face of coming climate stresses, we are interested in the treatment of woody biomass electricity generation under the Regional Greenhouse Gas Initiative. Our comments below are restricted to that component of program evaluation.

Despite past claims of "carbon-neutrality", there is growing recognition that many biomass-fueled electricity facilities will increase the concentration of atmospheric greenhouse gases over several decades, when compared to fossil fuel sources. There is an emerging consensus that different sources of biomass have different emissions impacts, and that life-cycle greenhouse gas accounting can help determine the degree to which emissions from biomass should be regulated under programs like the Regional Greenhouse Gas Initiative. The RGGI program to-date lacks consistent guidance across states regarding treatment of biomass facilities, with most states simply requiring that biomass materials are "sustainably harvested". In a region where forest stocks are recovering from past land clearing, the "without-biomass-energy" baseline is an upward trend of forest carbon over time, so sustainable harvest alone – which implies constant carbon stocks – is insufficient to demonstrate the carbon neutrality of biomass energy. As RGGI moves forward, in its increasingly important role as a functional cap-and-trade model, we urge the RGGI states to clarify treatment of biogenic emissions by addressing differences in net life-cycle GHG emissions from different biomass sources. By reporting gross biogenic GHG emissions as part of the first full program evaluation, modelers can help policy-makers assess the risk that overly-broad biomass exemptions may undermine GHG reduction goals.

Please see below our specific responses (in italics) to selected stakeholder questions.

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IPM Model Reference Case:
Do you have any comments or suggestions on the reference case results?

ISO-NE analysis indicates that 11% of capacity (378 MW) and 24% of expected electricity output (2,979 GWh) from renewable energy projects currently in the ISO-NE queue are from biomass projects[1]. Many projects in the queue will be withdrawn, and the RGGI model reference case is based solely on "firmly planned" units. Two projects listed as "firmly planned" in the reference case assumptions document do not seem to be incorporated in the reference case model run, presumably because new capacity is offset by the closure of existing facilities. An explicit explanation of the apparent lack of importance of biomass sources in the reference case would be helpful.

IPM Model Reference Case Sensitivities:
Do you have any comments or suggestions regarding use of specific assumptions in any of the sensitivity runs?

We would like to see all sensitivity scenarios include supplemental reporting of gross emissions from biomass-fueled power plants, both stand-alone and co-fired, in the RGGI area. Although these plants are currently exempt from regulation, the clear trend – as evidenced by EPA action under the Clean Air Act tailoring rule for greenhouse gases and revisions to Massachusetts RPS eligibility guidelines – is toward accounting for these emissions. Reporting these emissions for each RGGI state would help regulators plan for potential changes to the RGGI program that are consistent with emerging scientific understanding about net emissions from biomass combustion.

Do you have any comments or questions on the results of the sensitivities?

Are there additional sensitivities that should be considered in the analysis?

None of the sensitivity runs predicts additional biomass capacity in the New England states. It would be helpful for one sensitivity case to depict a possible expansion of biomass capacity in the New England states. Along with reporting of greenhouse gas emissions from these plants (as requested above), such a projection would help policy-makers assess the economic and climate impacts of permitting requirements or lack thereof for biomass generators, should this source become a significant new source of renewable power.

Retrospective Analysis of CO_2 Emissions, 2005 to 2009:
Do you have any comments on the approach or methodology used in the retrospective analysis?

As for the sensitivity cases, we would like to see the retrospective analysis report gross emissions from biomass-fueled power plants in the RGGI area.

Other Options for Program Review

1) The RGGI participating states expect to continue stakeholder dialogue throughout the RGGI program review process. Stakeholders are invited to propose options for potential

[1] Garber, Matt. May 25, 2010. Update on New England Renewable Portfolio Standards (RPS) and Renewable Resources Outlook. ISO New England, http://isonewengland.net/committees/comm_wkgrps/prtcpnts_comm/pac/mtrls/2010/may252010/rps.pdf, accessed 11/29/10.

program adjustment that the states should consider in program review, as well as how these options might be assessed. Potential examples for purposes of discussion include:

a. Adjustments in procedures of the RGGI program
b. Adjustments in scope of the RGGI program

RGGI states should consider how to address net GHG emissions from biomass-fueled facilities, either stand-alone or co-fired, based on the type of fuels utilized. As commonly accepted practices emerge for life-cycle greenhouse gas accounting for emissions from biomass combustion, RGGI regulations should be extended to these sources. Though inclusion of biogenic emissions would bring total emissions closer to the currently-defined cap or possibly above it, it is unlikely that caps developed using very different assumptions would remain appropriate. Hence caps may need to be further adjusted in order to reflect inclusion of these sources in emissions estimates.

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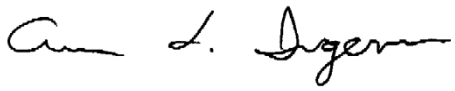
Thank you for the opportunity to comment on the Regional Greenhouse Gas Initiative program review.

Sincerely,



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