

North East RGGI - Offset Categories

Pratt Industries Submission – Avoided Emissions

Summary:

Pratt Industries submits that manufacturing useful products through the recycling of waste paper within the US has a significant greenhouse gas abatement impact. Pratt Industries is of the strong belief that Waste Paper Recycling should form one of the Offset Categories in the soon to be implemented North East Regional Greenhouse Gas Initiative (“RGGI”). The significant avoided emissions benefit of Waste Paper Recycling should be recognized and the incentive given to drive further Waste Paper Recycling within the North East.

Pratt Industries also submits that the combustion of useless forms of fiber (i.e. Waste Wood), that would otherwise be landfilled, to generate useful Energy also has a significant avoided emissions impact which should be recognized by the RGGI.

Pratt Industries:

Pratt Industries is a multi-national vertically integrated packaging company whose operations in the U.S. are comprised primarily of:

- ❑ Collection and recycling of municipal, commercial and industrially generated waste paper, and
- ❑ Converting the recycled paper into corrugated cardboard boxes for U.S. domestic and export consumption.

Technical Premise for Avoidance of Greenhouse Emissions – Waste Paper:

Waste paper recycling mills are undoubtedly significant consumers of Energy – inevitably, energy must be consumed to convert waste into a useful product. Greenhouse emissions associated with this energy consumption are therefore also inevitable to some extent.

However, the most significant greenhouse impact of Waste Paper Recycling is the avoided greenhouse emissions impact. The term “avoided emissions” in this context refers to the scientifically well-founded fact that paper (essentially cellulose fiber whose base molecular compound is $C_6H_{10}O_5$), when landfilled, ultimately degrades to methane (CH_4) which has a Global Warming Potential (“GWP”) of 21 – that is, 1 ton of methane has a greenhouse potency 21 times greater than carbon dioxide.

Therefore, by diverting Waste Paper from landfills and recycling this material, the energy-related greenhouse emissions are significantly offset by avoided landfill methane emissions resulting in a strong net reduction of greenhouse gases.

Pratt Industries is concerned that given an increasing reduction in export sales price for corrugating grades of paper in the current market, due significantly to rapidly increasing volumes of paper being manufactured in China, the eroding profit margin associated with Waste Paper Recycling in the U.S. may deter any further investment in waste paper recycling mills. Further, lack of profitability of *existing* paper mills may result in existing mills closure.

Pratt believes the waste hierarchy (“Reduce, Re-use, Recycle”) is both economically and environmentally efficient and greenhouse schemes such as RGGI should lend strength to this philosophy.

Pratt Industries strongly believes that greenhouse-based incentives must be made available to Waste Paper Recycling to ensure the strength of this industry in the future and to encourage strong growth in recycling. Pratt Industries submits that the RGGI offset categories be defined to include Waste Paper Recycling as an eligible offset which will undoubtedly lead to genuine greenhouse gas emissions abatement in the North East.

Technical Premise for Avoidance of Greenhouse Emissions – Waste Wood:

In the same way that Paper ultimately degrades to methane when landfilled, waste wood (also fiber which is essentially cellulose) also degrades to methane.

Where waste wood streams have no other useful value and instead would be landfilled, Pratt Industries submits that the greenhouse benefit associated with combusting this waste wood for energy be recognized.

The combustion of waste wood for energy production (whether thermal or electrical) produces two significant greenhouse benefits:

- ❑ When supplied to an industrial process as thermal or electrical energy or to a power grid as electrical energy, this form of energy would most likely displace the use of greenhouse-intensive fossil fuels.
- ❑ Problematic landfill methane emissions are avoided just by combusting this material and instead releasing the far less potent greenhouse gas, carbon dioxide.

Pratt Industries submits that RGGI offset categories should be drafted to also include the use of Waste Wood for Alternative Energy Production as an offset within the scheme. This will create an incentive for the use of this material for energy generation and allow smaller energy generators (relative to large conventional power stations subject to the RGGI regime) to drive genuine greenhouse abatement.

Offset Categories, Consistency and Least-cost Abatement:

Pratt Industries recognizes that other forms of methane mitigation are likely to be defined as a offsets within the RGGI and argues that the genuine forms of methane avoidance described above also be capable of offset credit. For consistency, it is essential that ALL forms of methane avoidance be equally recognized so that the purpose of the RGGI is not undermined. To do otherwise might not only hamper the growth of activities with significant potential for abating greenhouse gas emissions, but might even contribute to their decline. This is particularly worrisome at a time when far too much waste paper in the U.S. continues to be buried in landfills with other municipal waste.

Additionally, Pratt Industries believes that the key to economically viable Greenhouse reduction is to provide the incentive for the “least-cost” form of abatement to occur. Waste material ready to be converted to a useful product or useful energy is one such avenue for low cost abatement which should therefore rank high on the list of economically efficient abatement that merits encouragement.