



NC Division SAF

Position Statement – Role of Biomass as part of the North Carolina Renewable Portfolio Standard

Senate Bill 3 - Introduction

Among other issues related to statewide energy use, Senate bill 3 in part is “an act to (1) promote the development of renewable energy and energy efficiency in the state through implementation of a renewable energy and energy efficiency portfolio standard (REPS)”.

One of its chief policy objectives is to diversify the resources used to reliably meet the energy needs of consumers in the state and to “provide greater energy security through the use of indigenous energy resources available within the state” (62-2(a)(10)(a)).

The act requires electric public utilities to gradually increase their generation of renewable power from 3% in 2010 to 12.5% in 2021. It requires each electric membership corporation that sells power to retail customers in the state to gradually increase the share of electric power produced from renewable sources from 3% in 2010 to 10% in 2018.

Utilities can meet the requirement through a number of means including generating electric power at a new renewable energy facility, through implementing energy efficiency measures, through purchasing power from renewable energy facilities in or out of state, and others.

The act requires that a “Renewable Energy Resource” be used to comply with the act and defines a renewable energy source as “a solar electric, solar thermal, wind, hydropower, geothermal, or ocean current or wave energy resource; a biomass resource, including agricultural waste, animal waste, wood waste, spent pulping liquors, combustible residues, combustible liquids, combustible gases, energy crops, or landfill methane; waste heat”, and others.

Role of the Environmental Management Commission

As part of the implementation of the act, the general assembly assigns to the Environmental Management Commission, the power and duty to “establish a procedure for evaluating renewable energy technologies that are, or are proposed to be employed as part of a renewable energy facility”, and to “establish standards to ensure that renewable energy technologies do not harm the environment, natural resources, cultural resources, or public health, safety, or welfare of the state; and, to the extent that there is not an environmental regulatory program, establish an environmental regulatory program to implement these protective standards”.

As part of the process for developing rules associated with the use of woody biomass, as renewable energy, the EMC formed a technical advisory group comprised of representatives of a broad range of stake holders, including the NC Forestry Association, representing the forest products industry, utility company representatives, officials from state natural resource agencies, academics from NCSU, and environmental NGOs.

As part of its deliberations, the TAG held differing views on what qualified as wood waste, and whether or not the general assembly intended for whole trees to be used in satisfying the renewable portfolio standard.

Since a definition of what types of wood qualify as a renewable energy source can have profound impacts on the implementation of Senate Bill 3, the EMC has recommended that that the general assembly further clarify the definition of a renewable energy resource regarding woody biomass. Further, the EMC has recommended that if a broad definition is adopted that includes whole trees, the EMC recommends that “the definition only be adopted in conjunction with sustainable management requirements and that such requirements should mandate that to be eligible for credit under the RPS mandates, woody biomass must be harvested in accordance with standards and practices that are protective of continuing forest productivity, ecosystem health, soil quality, water quality and biodiversity conservation.”

As part of its sustainable management recommendations, the EMC recommends that the “General Assembly adopt third party sustainability standards by power generators and biofuel producers for these state created markets.”

In its 2005 national position paper on woody biomass for fuel production, the SAF supports “strategies and policies, including those authorized in the Energy Policy Act of 2005 (PL 109-190) that promote the development of economically viable forest biomass production. SAF’s position is that development of woody biomass markets can be a useful tool to reduce hazardous fuels, correct insect or disease issues, enhance landowner investment returns, and enhance the viability of traditional harvesting operations. SAF is a member of 25X25, a group dedicated to achieving 25% of the nation’s energy through renewable resources by 2025.

Removal of traditionally non-merchantable material can also be useful in reducing both the cost and the environmental impact of reforestation following harvest.

Because the definition of qualifying biomass has far reaching implications, legislation from the Federal Renewable Fuels Standard, the Renewable Electricity Standard, the farm bill, and state programs can all impact the use of woody biomass as a potential fuel source. As well, the definition can impact the degree to which a market for woody biomass can develop and the environmental impacts associated with harvesting and combusting or converting wood for fuel.

Definition of Woody Biomass

The North Carolina Division of the SAF supports the broadest possible definition of woody biomass for use by the RPS. It is our view that science associated with the production of fuels is best implemented by practitioners making appropriate silvicultural and harvesting decisions for their clients on a case by case basis and that a broad definition gives practitioners the most flexibility to implement the RPS in a sound manner both silviculturally and economically.

To the degree a statutory definition must be adopted, the NC Division of the SAF supports the use of the 2008 Farm Bill definition because this definition gives practitioners wide flexibility.

The NC Division of the SAF supports a definition that is consistent among federal, state, and local statutes. It is our position that varying or conflicting standards create confusion and raise the implementation costs associated with compliance by woody biomass energy purchasers and producers.

Sustainability Standards

Should a third party sustainability standard be required by the legislature in conjunction with a broad definition of woody biomass, the NC Division of the SAF supports the use by biomass purchasers of widely used fiber supply purchasing standards such as SFI or FSC.

In addition, the SAF supports the use of purchasing standards and policies that encourage landowners to maintain their land as working forests, that are science based, and that respect individual landowners' varying management objectives. Because so few private forests are currently certified, the NC SAF does not support the requirement that landowner's forests be certified in order to sell biomass to facilities complying with the RPS under Senate Bill 3.

In North Carolina, where forestry activities must comply with state Forest Practice Guidelines for water quality, FPG's should serve as the compliance standard in any management guidelines associated with water protection.

Research

The NC Division of the SAF supports ongoing research into the impacts of the RPS on the state's forest resources including the impacts to the state's forest inventory and its soil water and wildlife resources. In addition, the NC Division supports research in to the economic and social impacts of the RPS, including its impacts on rural economies, landowner profitability, and the impact on traditional forest industries.