

May 5, 2011

Environmental Protection Agency
EPA Docket Center (EPA/DC) Mailcode 2822T
Attention Docket ID No. EPA-HQ-OAR-2011-0083
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Re: Docket ID No. EPA-HQ-OAR-2011-0083

Thank you for the opportunity to respond to EPA's request for information with respect to its proposed "Deferral for CO₂ Emissions from Bioenergy and Other Biogenic Sources Under the Prevention of Significant Deterioration (PSD) and Title V Programs" published in the *Federal Register* on March 12, 2011. These comments are submitted on behalf of The Nature Conservancy.

In carrying out its mission, The Nature Conservancy conducts many habitat restoration projects that may stand to benefit from new biomass energy markets. For instance, in some projects the Conservancy removes small trees and other biomass from forest landscapes to reduce catastrophic fire risks. In other locations, Conservancy chapters are restoring degraded agricultural lands by planting perennial grasses. If the biomass materials produced and harvested through these activities could be sold to bioenergy facilities for conversion to low carbon energy, additional resources would be available to the Conservancy to carry out its conservation projects.

The Conservancy also believes that new bioenergy markets could benefit wildlife habitat in a more general way by providing income to private landowners to encourage them to keep their lands forested rather than to convert them to other uses such as agriculture production and second home developments.

As a potential beneficiary of new bioenergy markets, the Conservancy is concerned that the blanket deferral proposed by EPA will discourage any new investment in bioenergy facilities until the three-year period of uncertainty has run its course. On the other hand, the Conservancy recognizes that not all uses of biogenic material will produce substantial reductions in carbon dioxide emissions and that a full exemption of all biogenic emissions from these permitting requirements is not appropriate. In fact, some pathways for turning biomass into energy may emit more carbon dioxide than the fossil fuel generated energy they would replace.

Therefore, the Conservancy recommends that EPA segregate biomass energy pathways into two groups. The first group would include facilities that combust only biogenic materials to produce energy that are likely to result in very substantial carbon dioxide emissions reductions such as forest and agricultural wastes, urban wood wastes, removals associated with ecosystem restoration projects, and crops grown on lands that have been in agricultural production in the past. If these materials are not used to produce energy

that substitutes for fossil fuels, the carbon in these materials is likely to be returned to the atmosphere in the very near-term as the result of burning or decomposition on the ground. We are recommending that emissions from facilities using these materials only should be given an immediate exemption from the PSD and Title V permitting requirements as part of the “tailoring rule”. Imposing the regulatory costs of full carbon accounting on facilities using only these types of materials would not be justified even after three years of study; therefore, we are recommending that they be exempt from the permit programs immediately.

The second group would be facilities using materials where the carbon dioxide emission reduction benefits are open to question and where further study is appropriate. This category would include the use of vegetable oils where indirect land use change emissions can be substantial, the use of materials taken from land that has recently been converted from forest or grassland to crops, the use of chipped or pelletized materials from whole trees, and the use of materials that are shipped long distances from the point of harvest to the point of energy production. Although in each of these cases there may be some carbon dioxide emission reduction benefit from using the material to produce energy, only the net emission reduction benefit as determined by a full life cycle assessment should be credited to a facility using these materials. For this second category of biogenic materials, the Conservancy supports EPA’s proposal to defer a decision on the appropriate approach to permitting for a period of three years while carbon accounting methodologies are further studied and sound permitting procedures are designed.

Thank you for your consideration of these views.

Sincerely,

Robert Bendick
Director, U.S. Government Relations