



Empire State Forest Products Association

The people behind New York's healthy forests and quality wood products
www.esfpa.org

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VIA ELECTRONIC SUBMISSION

secretary@dps.ny.gov

Hon. Michelle L. Phillips
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza
Agency Building 3
Albany, NY 12223-1350

Re: CASE 15-E-0302 - Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard

Dear Ms. Phillips and Members of the Public Service Commission,

Thank you for the opportunity to provide comments on the “White Paper” recently filed by the New York State Energy Research and Development Authority (NYSERDA) and staff of the New York State Department of Public Service (DPS) that identifies a proposed regulatory structure to address the Climate Leadership & Community Protection Act (CLCPA) requirements for a renewable energy program.

The Empire State Forest Products Association (ESFPA) represents over 400 member businesses, industries and landowners engaged in forest resource production and stewardship of New York's 19 million acres of forest. In total, \$22.9 billion dollars in annual industry production and nearly 100,000 jobs are attributable to operations of various industries within the forest related sectors. A significant portion of the forest production value chain is the use of low-grade forest commodities for pulp and paper manufacturing and biomass used in energy production both behind the grid and in support of the grid. Sustainably sourced biomass is derived from forest management residuals (e.g. tops, limbs and thinnings) as well as residuals from mills in processing paper and timber (e.g. chips, saw dust and bark).

Historically New York State energy policy has treated biomass and bioenergy as clean renewable energy. Biomass was an eligible resource under the Renewable Energy Standard (RES). The Clean Energy Standard Maintenance Tier (Tier 2) was designed to ensure the

financial viability of resources with demonstrated need, which includes biomass resources¹. With enactment of the CLCPA² in 2019 New York adopted the definition of a “renewable energy system” under the Public Service Law and for the first time New York’s definition of renewable energy abandoned a technology-neutral definition of renewable energy and for the first time in any state (or any country) biomass was not included as renewable (at least for the purpose of electric generation in support of the Grid).

The future of bioenergy as an economic resource in New York State is uncertain. Staff’s White Paper proposes that the PSC direct NYSERDA to conduct future CES procurements in accordance with the CLCPA targets, while permitting RECs from existing Tier 2 resources to meet LSE obligations through 2029. While we agree that this directive reflects the CLCPA target of 70% of New York’s electric generation be derived from “renewable energy systems” as defined in the CLCPA by 2030 (i.e. 70X30). We believe that there is a pathway for bioenergy (including biomass) can still support the State’s energy targets through 2050.

Many deep decarbonization studies rely substantially upon bioenergy. Those considering near-100% renewables scenarios included some reliance on firm generation derived from biomass. E3 (Energy + Environmental Economics), NYSERDA’s consultant for preparation of the Climate Action Plan under the CLCPA, concluded that bioenergy is needed in the transition to a carbon-neutral economy, as required by the CLCPA³. In its analysis of how New York can achieve its CLCPA targets, E3 modeled bioenergy resources in its base case scenario. The study envisioned an advanced role of bioenergy in New York’s energy economy, classified bioenergy as a zero-carbon energy resource, and concluded that the transition to carbon neutrality will require strategic use of bioenergy resources. This certainly is a path that New York can use bioenergy in achieving 100% zero carbon electricity by 2040 and most certainly 85% reduction of Greenhouse Gas (GhG) reductions from 1990 emission levels across the energy economy by 2050.

Bioenergy is a firm low-carbon, biogenic carbon neutral resource that can address the challenge of seasonal variation in supply and demand at a reasonable cost. E3’s *Pathways to Deep Decarbonization in New York State*, Appendix B cites several references of bioenergy resources in achieving this⁴:

- A number of studies found that complementing high penetrations of intermittent renewables with firm, zero-emission resources such as bioenergy reduce total electric system costs (*Pathways*, pg. 38).
- As the share of variable resources continues to grow, firm capacity resources will be needed to support year-round reliability (*Pathways*, pg. 37).
- The State’s need for firm, low-carbon resources will be felt most during winter peaks (*Pathways*, pg. 38)
- These resources are particularly important to the north country where transmission upgrades are needed to support intermittent renewables and increasing energy imports from Canada.

The White Paper recommends that the Commission align NYSERDA’s future RES procurements with the eligible technologies defined under the CLCPA. This means that, once the existing biomass contracts expire, biomass will not be eligible to participate in the State’s Clean Energy Standard

¹Case 03-E-0302, Department of Public Service, *White Paper on Clean Energy Standard Procurements to Implement New York’s Climate Leadership and Community Protection Act* (filed June 18, 2020) at pg. 4, available at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7bE6A3B524-6617-4506-A076-62526F8EC4CB%7d>

² Chapter 106, Laws of 2019

³ Energy + Environmental Economics, *Pathways to Deep Decarbonization in New York State* (June 24, 2020), available at <https://climate.ny.gov/-/media/CLCPA/Files/2020-06-24-NYS-Decarbonization-Pathways-Report.pdf>

⁴ *Pathways to Deep Decarbonization in New York State*, Appendix B pg. 32, pgs. 34-35

We suggest that the PSC create a separate tier within the CES 2.0 framework for resources that do not meet the definition of “renewable energy system” under the CLCPA, but which are low-carbon, biogenic-carbon-neutral resources and should be supported for purposes of ensuring the system’s ability to reach the CLCPA goals. This new “Tier 5” would comprise new bioenergy fueled attributes as well as previously eligible Tier 2 resources or other resources that would not be eligible for the competitive Tier 2 proposed by NYSERDA in its January 24, 2020 Tier 2 Petition.

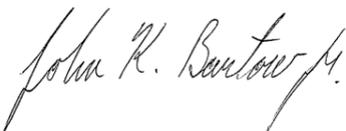
New York will need every available non-fossil fuel resource at its disposal in meeting the electric sector goals laid out in the CLCPA and we believe that bioenergy, including woody biomass, should be under consideration in meeting those goals. In addition to supporting firm generation for the entire electric system in New York, the use of bioenergy in a broader CES 2.0:

- takes advantage of bioenergy sources that exist and needs markets for from our agricultural and forest sectors;
- sustains and creates jobs in New York;
- supports an important but struggling agricultural and forest economy;
- when combined with carbon capture utilization/storage technology can remove carbon from the atmosphere, something no other renewable energy resource can provide; and,
- generates environmental co-benefits of clean air, clean water, and wildlife -- also something no other renewable energy resource can provide.

As the PSC and NYSERDA look to achieve New York’s electric generation goals in the CLCPA, we urge them to consider the role of bioenergy in the long game. We also urge them to be cautious about the mission creep of the technology bias presently in the CLCPA electric generation goals to ensure that this bias is not carried across the energy economy to be addressed by the balance of the CLCPA.

Thank you again for the opportunity to comment on the White Paper. Should you have any questions or seek additional information, please do not hesitate to contact me.

Sincerely,.

A handwritten signature in cursive script that reads "John K. Bartow, Jr." The signature is written in black ink and is positioned to the left of the typed name below it.

John K. Bartow, Jr.