

\*BiofuelWatch\*Blue Ridge Environmental Defense League\*  
Buckeye Forest Council\*Caney Fork Headwaters Association\*Citizens Alliance for a  
Clean Healthy Economy\*Citizens for a Safe Environment\*Climate Crisis Coalition of the  
Twin Cities\*Concerned Citizens of Crawford County\*Concerned Citizens of Franklin  
County\*Concerned Citizens of Gadsden County\*Concerned Citizens of  
Russell\*Cumberland Countians for Peace and Justice\*Dogwood  
Alliance\*EcoLaw\*Energy Justice Network\*Environmental Alliance of North  
Florida\*Finger Lakes Zero Waste Coalition\*Florida League of Conservation  
Voters\*Floridians Against Incinerators in Disguise\*Forest Ecology Network\*Friends of  
Freetown/Fall River State Forest\*Global Alliance for Incinerator Alternatives\*Green  
Berkshires, Inc.\*Green Delaware\*Green Party of Florida\*Green Press  
Initiative\*Greenwich Citizens Committee, Inc.\*Heartwood Alliance\*HOPE (Help Our  
Polluted Environment)\*Institute for Local Self Reliance\*Jones River Watershed  
Association\*Jones River Landing Environmental Heritage Center\* Massachusetts Forest  
Watch\*Neighbors Against the Burner\*Network for Environmental & Economic  
Responsibility\*Oregon Center for Environmental Health\*Physicians for Social  
Responsibility/Tampa Bay Chapter\*Pike Gibson Citizens for a Quality  
Environment\*Pioneer Valley Preservation Coalition\*RESTORE: The North  
Woods\*Samson County Citizens of a Safe Environment\*Save America's  
Forests\*Sequoia ForestKeeper\*Sound Resource Management\*Stop Spewing Carbon\*  
Trout Unlimited/Greater Boston Chapter\*Washington Against Biomass  
Incineration\*World Species List – Natural Features Registry Institute

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January 25, 2010

Senator Max Baucus  
Chair, Finance Committee  
Hart Room 511  
United States Senate  
Washington, D.C. 20510

Senator Charles E. Grassley  
Ranking Member, Finance Committee  
Hart Room 135  
United States Senate  
Washington, D.C. 20510

**Re: Vote “No” on Tax Credits for Biomass Burning**

Dear Senators Baucus and Grassley and Members of the Finance Committee:

We are a network of community, environmental, and social justice groups, as well as medical, academic, and legal professionals writing to request that the Senate Finance

Committee recommend a **no vote on proposed tax credits for the combustion of biomass to generate electricity**. The burning of biomass – tires, trees, trash and just about anything else – qualifies as “renewable energy” under several federal laws and there is a virtual gold rush across the Nation as developers seek to cash in on lucrative tax credits and American Recovery and Reinvestment Act (ARRA) subsidies for these incinerators. In the United States, there are currently 200 biomass plants in operation and proposed.<sup>1</sup>

Biomass combustion power plants present a serious public health threat, make climate change worse, incinerate forests, and dry up rivers. Medical associations across the nation that have examined the public health impacts of biomass burning are voting to oppose it as a danger to public health. One leading example is the Massachusetts Medical Society’s December 5, 2009 policy opposing biomass power plants on the grounds that they pose ‘an unacceptable health risk.’<sup>2</sup> Similar resolutions have been passed in Florida and by the American Lung Association.<sup>3</sup> Biomass power plants emit toxic air pollution that causes asthma, heart disease, respiratory failure, and create other medical complications, even for perfectly healthy individuals. Incredibly, even in the face of the evidence, biomass combustion plants are being promoted as “clean and green” and are being subsidized with billions in tax payer money. Let’s be clear, for the smokestack emissions that matter most to climate change and public health – carbon dioxide, NOx and particulates, per unit of power produced, biomass burning is worse than coal. These plants also emit the most toxic chemicals known to science – dioxin and mercury. This chart compares biomass emissions to fossil fuel emissions.

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<sup>1</sup> <http://www.nobiomassburning.org/research.php>

<sup>2</sup> [http://www.massmed.org/AM/Template.cfm?Section=MMS\\_Advocacy&CONTENTID=32907&TEMPLATE=/CM/ContentDisplay.cfm](http://www.massmed.org/AM/Template.cfm?Section=MMS_Advocacy&CONTENTID=32907&TEMPLATE=/CM/ContentDisplay.cfm)

<sup>3</sup> Resolution of the Florida Medical Society: <http://floridiansagainstinincineratorsindisguise.com/2009/12/21/58/>, and the American Lung Association of New England: [http://nobiomassburning.org/docs/Kerry\\_Biomass\\_Letter.pdf](http://nobiomassburning.org/docs/Kerry_Biomass_Letter.pdf)

## Comparison: Smokestack Emissions of Biomass to Fossil Fuels

Comparison to coal (% above coal emissions) =  $[\text{biomass level} - \text{coal level}] / [\text{coal level}]$

Comparison to natural gas (% above NG) =  $[\text{biomass level} - \text{NG level}] / [\text{NG level}]$

PLANT NAME	FUEL SOURCE	CO <sub>2</sub> /MW (tons per year)	NO <sub>x</sub> /MW (tons per year)	PM /MW (tons per year)
Boardman, Oregon (PGE)	Coal	9067	3.38	0.59
PVEC	Natural Gas	3130	0.23	0.12
Russell Biomass	Wood	12,644	3.9	1.69
<b><i>Biomass Increase over Coal</i></b>		<b>+39%</b>	<b>+31%</b>	<b>+186%</b>
<b><i>Biomass Increase over Natural Gas</i></b>		<b>+304%</b>	<b>+1596%</b>	<b>+1309%</b>
PRE Biomass	Wood	11,312	3.49	1.15
<b><i>Biomass Increase over Coal</i></b>		<b>+25%</b>	<b>+15%</b>	<b>+95%</b>
<b><i>Biomass Increase over Natural Gas</i></b>		<b>+262%</b>	<b>+1417%</b>	<b>+858%</b>
Palmer	C&D Wood Waste	12,415	3.53	0.71
<b><i>Biomass Increase over Coal</i></b>		<b>+37%</b>	<b>+4%</b>	<b>+20%</b>
<b><i>Increase over Natural Gas</i></b>		<b>+297%</b>	<b>+1435%</b>	<b>+492%</b>

### 1. Proposed Bills and Tax Extenders Subsidizing Biomass Burning

Numerous new bills have been filed recently by industry seeking new and renewed tax credits.<sup>4</sup> Most notably, a substantial biomass tax credit under the American

<sup>4</sup> The Senate and House bills include (but are not limited to) the following: **S. 2826**, “A bill to amend the Internal Revenue Code of 1986 to extend the renewable production credit for wind and open-loop biomass facilities; **H.R. 3961**, “An Act to amend title XVIII of the Social Security Act to reform the Medicare SGR payment system for physicians and to reinstitute and update the Pay-As-You-Go requirement of budget neutrality on new tax and mandatory spending legislation, enforced by the threat of annual, automatic sequestration” sponsored by Rep. Dingell and introduced 12/24/09; **H.R. 4154**, “Permanent Estate Tax Relief for Families, Farmers, and Small Businesses Act of 2009” sponsored by Rep. Pomeroy

Jobs Creation Act of 2004 is up for renewal and is the subject of intense industry lobbying.

## **2. Tax Credits for Biomass Burning is Contrary to Public Policy**

Our tax code is intended to promote activities that reflect sound public policy. Promoting incinerators that burn trees, tires, trash and other materials on the false claim that it is “green” electricity is indefensible public policy. It should be considered for the following reasons.

First, the impacts on public health and human well-being are profound. The consequence of the additional particulate, NOx and carbon dioxide emissions from these plants will be an increased incidence in and severity of multiple cardiopulmonary diseases, premature birth, developmental disabilities, and cancer. Second, the increased incidence of disease will raise health costs. It is a tragic irony that in providing tax credits for biomass burning, the Senate may vote through the tax code to subsidize activity that will increase citizens’ health costs, at the same time that both parties are claiming in their public declarations that they want to lower such costs through health care legislation. Third, these plants increase global warming, as described below and will therefore add to the widespread global disruption predicted from climate change impacts. Fourth, though the industry promotes these plants as job creators, in fact they create only about one permanent job for every investment of about \$5,000,000 in taxpayer funds. Fifth, these plants have unnecessary negative impacts on our forests, air, and water resources.

At a time when our nation has a huge budget deficit and is struggling to address health care, using taxpayer money to promote capital investment in power plants that create new problems and exacerbate old ones at great cost is obviously unsound public policy. Each of these topics is addressed in detail below.

Below is a detailed explanation of the problems with biomass burning.

### **a. Biomass Burning Increases Public Health Costs**

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and introduced 11/19/09; **H.R. 4227**, “Incentives to Increase Use of Renewable Biomass Act of 2009” sponsored by Rep. Schrader and introduced 12/8/2009; **H.R. 4389**, “To amend the Internal Revenue Code of 1986 to allow a credit against income tax to taxpayers using energy derived from biomass to power domestic paper, pulp and paperboard manufacturing process facilities.” Sponsored by Rep. Murphy and introduced 12/16/2009; **H.R. 4398**, “A bill to address public safety risks in western states by facilitating insect and disease infestation treatment of National Forest System land and certain adjacent land, to make permanent the good-neighbor authority for Colorado and stewardship contracting authorities available to the Forest Service, and for other purposes” sponsored by Rep. Salazar and introduced 12/16/2009; **H.R. 2847**, “Making appropriations for the Departments of Commerce and Justice, and Science, and Related Agencies for the fiscal year ending September 30, 2010, and for other purposes” sponsored by Rep. Mollohan and introduced 6/12/2009. See also related Bills H.RES. 544, H.RES.552, H.RES.976, H.R.2391, H.R.3288.

Biomass burning power plants create public health problems and drive up health care costs. Replacing fossil fuel plants with biomass combustion, which has a worse impact on public health, is a poor investment of taxpayer money. Current research, data from company permits and proposals, environmental impact reports, and government analyses show that for several key pollutants (notably CO<sub>2</sub>, NO<sub>x</sub> and particulates) biomass burning is “dirty energy” – worse than coal – and not “clean energy” as the industry claims. Biomass burning will have a direct negative impact on the health of our nation’s children, both immediately and cumulatively throughout their lifetimes, and also for generations to come. Our young children will bear both the financial and personal health legacy of tax legislation that underwrites biomass burning; the consequences for them will last a lifetime.

### **b. Biomass Burning Damages Natural Resources**

Existing biomass power production is already having considerable negative impacts on our nation’s forests. Additional tax incentives will make this problem worse. In Maine, Massachusetts, Oregon, and many other states, existing biomass power plants burn whole trees to make electricity. An aerial photograph of a biomass power plant in Burlington, Vermont shows whole trees stockpiled for combustion.<sup>5</sup> Moreover, under the 2008 Farm Bill, Congress unwisely provided federal financial assistance to cut down our forests for incineration in biomass plants.<sup>6</sup> Those trees would not have been cut without the public subsidies driving biomass power production; those trees would be cleaning polluted air, sequestering carbon, providing wildlife habitat, replenishing soil, and serving recreational purposes. The common practice of whole-tree harvesting for biomass belies oft-repeated but misleading industry claim that wood fuel that was not incinerated in power plants would “otherwise cause forest fires and/or increased methane emissions.”<sup>7</sup>

### **c. Biomass Burning Contributes to Climate Change**

Marketing and promotional materials from the biomass industry claim that biomass burning is “clean and green.” What is relevant is that biomass burning produces a “pulse” of carbon dioxide from its smokestack that will remain in the atmosphere for decades. The U.S. EPA’s findings greenhouse gases and CO<sub>2</sub> states that “for a given amount of CO<sub>2</sub> released today, about half will be taken up by the oceans and terrestrial vegetation over the next 30 years, a further 30 percent will be removed over a few centuries, and the remaining 20 percent will only slowly decay over time such that it will take many thousands of years to remove from the atmosphere.” 74. Fed. Reg. 18886,

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<sup>5</sup> [www.nobiomassburning.org](http://www.nobiomassburning.org).

<sup>6</sup> The Biomass Crop Assistance Program of the U.S. Department of Agriculture subsidizes chopping down forests for biomass burning through programs that qualify incinerators to receive reimbursements for their wood fuel supply. Environmental organizations have called for a complete Environmental Impact Statement under the National Environmental Policy Act. <http://www.nobiomassburning.org/research.php>

<sup>7</sup> Biomass Power Association publication, 11/7/09: “Our Challenges...”

18899. This finding is based on extensive scientific reports. Thus, CO<sub>2</sub> emissions from biomass burning will stay in the atmosphere for hundreds to thousands of years.

Industry claims that these plants are carbon neutral is unsupported by science.<sup>8</sup> Tax credits for biomass power plants will have the effect of increasing carbon emissions for decades, seriously endangering public health, and damaging ecosystems.

### **3. Tax Credits for Biomass Burning Are Based on the False Assumption that Emissions from Biomass Burning are “Carbon Neutral.”**

A fundamental scientific error with regard to the “accounting” for the carbon dioxide emissions has led to the “carbon neutral” assumption being embedded in a wide range of federal legislation and government policy. Your Committee can start to correct this error – which has widespread and horrifying implications for the health of the public – by saying no to both more tax credits for biomass burning and to extensions of existing credits.

The basis upon which biomass power plants have been made eligible for a host of tax credits is the false assertion that biomass burning is “carbon neutral.” The carbon benefits promised by the industry are unsubstantiated and scientifically invalid.<sup>9</sup> In *Science Magazine*, researchers pointed to this critical accounting error: **“The accounting now used for assessing compliance with carbon limits in the Kyoto Protocol and in climate legislation contains a far-reaching but fixable flaw that will severely undermine greenhouse gas reduction goals. It does not count CO<sub>2</sub> emitted from tailpipes and smokestacks when bioenergy is being used, but it also does not count changes in emissions from land use when biomass for energy is harvested or grown. This accounting erroneously treats all bioenergy as carbon neutral regardless of the source of the biomass, which may cause large differences in net emissions. For example, the clearing of long-established forests to burn wood or to grow energy crops is counted as a 100% reduction in energy emissions despite causing large releases of carbon.”**<sup>10</sup>

David Hawkins of the Natural Resources Defense Council has also warned about this “biomass loophole,” in his testimony before the full Senate Environment and Public Works Committee On July 7, 2009.<sup>11</sup>

<sup>8</sup> Ingerson, A. 2009 Wood Products and Carbon Storage: Can Increased Production Help Solve the Climate Crisis? Washington, D.C.: The Wilderness Society; “Fixing a Critical Climate Accounting Error”; *Science*, 325:529, October 23, 2009.

<sup>9</sup> *Science*, 325:529, October 23, 2009.

<sup>10</sup> Searchinger, et. al. *Science* 326:527, Oct 23, 2009 Subscription only, summary here: <http://www.sciencemag.org/cgi/content/summary/sci:326/5952/527?maxtoshow=&HITS=10&hits=10&RESULTFORMAT=&fulltext=searchinger&searchid=1&FIRSTINDEX=0&resourcetype=HWCIT>

<sup>11</sup> [http://epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore\\_id=c9d3cc45-c3e4-4a42-b3b0-7885c6ae75e2](http://epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=c9d3cc45-c3e4-4a42-b3b0-7885c6ae75e2) at page 33-34.

It is easily demonstrated that claims of carbon neutrality for biomass burning are false. The trees cannot grow back fast enough to absorb all the greenhouse gases from burning the trees. Construction and operation of biomass power plants promises to create an enormous “pulse” of carbon releases. Biomass power plants will have exactly the opposite of the effect intended; they will not reduce carbon emissions, but increase them for decades on end. Tax credits based on the carbon neutral myth are in essence based on a fraud.

**4. The “American Clean Energy Leadership Act” of 2008 (ACELA).**

We would like to take this opportunity to urge your opposition to the incinerator provisions in the ACELA energy bill which may be considered by Congress this session. This bill, as reported out by the Senate Committee on Energy and Natural Resources on July 16, 2009, contains numerous provisions in its Renewable Electricity Standard that promote and provide public subsidies for biomass burning as a means of generating “clean” energy. See, e.g., § 610, p. 137-144, 168-172. As described above, biomass burning to make electricity is neither “clean” nor “green.” It is not a solution to our energy needs but instead creates massive problems. It should not be provided with the same public subsidies as energy sources that do not produce smokestack emissions that cause disease, make global warming worse, dry up rivers, and burn forests.

Sincerely yours,

The Biomass Accountability Project, Inc.  
EcoLaw Massachusetts

BiofuelWatch (VT)  
Blue Ridge Environmental Defense League  
Buckeye Forest Council (OH)  
Caney Fork Headwaters Association (TN)  
Citizens Alliance for a Clean Healthy Economy (FL)  
Citizens for a Safe Environment (NC)  
Climate Crisis Coalition of the Twin Cities (MN)  
Concerned Citizens of Crawford County (IN)  
Concerned Citizens of Franklin County (MA)  
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Cumberland Countians for Peace and Justice (TN)  
Dogwood Alliance  
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Green Berkshires, Inc. (MA)  
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Green Party of Florida (FL)  
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Network for Environmental & Economic Responsibility (TN)  
Oregon Center for Environmental Health (OR)  
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Pike Gibson Citizens for a Quality Environment (IN)  
Pioneer Valley Preservation Coalition (MA)  
RESTORE: The North Woods (MA)  
Samson County Citizens of a Safe Environment (NC)  
Save America's Forests (D.C.)  
Sequoia ForestKeeper (CA)  
Sound Resource Management  
Stop Spewing Carbon (MA)  
Trout Unlimited/Greater Boston Chapter (MA)  
Washington Against Biomass Incineration (WA)  
World Species List – Natural Features Registry Institute (MA)

Cc: Steven Chu, Secretary of the U.S. Department of Energy  
Tom Vilsack, Secretary of the U.S. Department of Agriculture  
Lisa Jackson, Administrator, U.S. Environmental Protection Agency  
Timothy Geithner, Secretary, U.S. Department of the Treasury  
Dr. Timothy Searchinger, PhD, Princeton University  
Dr. Steven P. Hamburg, Environmental Defense Fund  
Dr. Marc Jacobson, Stanford University  
David Bookbinder, Esq., Sierra Club  
Frances Beineke, President, Natural Resources Defense Council  
David Hawkins, Director of Climate Programs, Natural Resources Defense  
Council