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April 6, 2018

David K. Paylor, Director, Virginia Department of Environmental Quality
Michael G. Dowd, Director, Air and Renewable Energy Division
Virginia Department of Environmental Quality
1111 E. Main Street
Richmond, VA 23219

Dear Director Paylor and Director Dowd:

The Virginia Agribusiness Council (VAC) appreciates this opportunity to provide comments to the Air Pollution Board regarding the Commonwealth of Virginia's proposed "Regulation for Emissions Trading" for the CO2 Budget Trading Program (the "regulation") and its treatment of biogenic carbon dioxide (CO2) emissions from forest biomass.

The Virginia Agribusiness Council is a non-profit member organization committed to representing the agriculture and forest industries in the Commonwealth with a unified voice through effective government relations efforts. To remain internationally competitive and lead the world in achieving the productivity and efficiency gains required to meet the food, fiber and energy demands and environmental challenges of the twenty-first century, U.S. agriculture and forestry must stay on the cutting edge of technology and utilize all resources in a sustainable environmentally conscious manner. Therefore, Virginia Agribusiness Council membership has a strong interest in forest derived biomass not being considered a greenhouse gas and being considered carbon neutral.

The Council supports the addition of the below two pronged principle to be added to the RGGI along with the following principle: **Forest biomass including forest products manufacturing residuals, should categorically be treated as carbon-neutral whether or not it is co-fired with fossil fuel.**

Emissions from the combustion of any forest-derived biomass shall not be considered a greenhouse gas if:

(1) Timberland carbon stocks, based on United States Forest Service Forest Inventory and Analysis data for the United States South Region, are stable or increasing relative to the 2005 carbon stocks assessment for this region; or

(2) The forest-derived biomass is from forest products manufacturing residuals, harvest residues, or waste-derived feedstocks, including used wood products.

The first prong reflects that the harvesting of wood for energy does not contribute to net carbon emissions in cases where the harvesting, measured over a broad region, is offset by wood growth and associated carbon sequestration. The second prong of the principle – i.e., that wood residuals, residues and bio-wastes are inherently carbon neutral -- is based on the fact that emissions from forest products manufacturing residuals, harvest residues, or waste-derived feedstocks would eventually wind up in the atmosphere even if not used for energy production. In fact, the landfilling of these feedstocks can result in methane emissions, which have a 25 times greater warming effect than carbon dioxide.

A study by NCASI found that there are substantial greenhouse gas reduction benefits in using forest products manufacturing residuals for energy in the pulp, paper, packaging and wood products industry. Accounting for fossil fuel displacement and avoided emissions associated with disposal, the use of biomass residuals each year avoids the emission of approximately 181 million metric tons of CO2.

We appreciate your careful consideration of these comments. We look forward to continuing our work with DEQ and the Air Pollution Board. If you have any questions, please do not hesitate to contact the Council at vac@va-agribusiness.org

Sincerely,

Katie Frazier
President
Virginia Agribusiness Council