



CITY OF COVINGTON

333 W. LOCUST STREET, COVINGTON, VIRGINIA 24426

Thomas H. Sibold, Jr., Mayor
David S. Crosier, Vice-Mayor
Claiborne "C.J." Entsminger, Councilman
Raymond C. Hunter, Councilman
S. Allan Tucker, Councilman

Clay Goodman, Interim City Manager
Edith S. Wood, City Clerk
Mark C. Popovich, City Attorney

March 7, 2019

Karen G. Sabasteanski
Policy Analyst, Office of Regulatory Affairs
Virginia Department of Environmental Quality
PO Box 1105
Richmond, Virginia 23218

RE: *Regulation for Emissions Trading — The Regulation should apply to only GHG emissions from fossil-fuel combustion and not to emissions from biomass combustion and the regulation should be amended to clearly exempt industrial facilities*

Dear Ms. Sabasteanski,

As a leader of the City of Covington, I write to provide comments on behalf of the Covington City Council in opposition to the Department of Environmental Quality (DEQs) and the Air Pollution Board regarding the Commonwealth of Virginia's re-proposed "Regulation for Emissions Trading" for the CO2 Budget Trading Program.

The WestRock Paper Mill in Covington is a significant economic driver for our community, providing over 1100 jobs and supporting over \$200,000,000 in local investment through supplier purchases, payroll, and taxes every year. If care is not taken, the proposed regulations could have a serious and negative impact on the mill. One of our chief concerns is the treatment of energy from biomass, which is critical to the mill's operation.

Unfortunately, despite the rule's nominal focus on fossil fuel emissions, the current language would apply to biomass (and other non-fossil fuel sources) when they are cofired with fossil fuels. Biomass is widely considered to be a carbon-neutral fuel source, and this fact is not changed when biomass is cofired. Moreover, by including non-fossil fuel sources, the regulation would greatly exceed its stated scope. Accordingly, we are opposed to the rule as it is currently drafted and encourage DEQ to correct this issue by including in the rule a clear and specific exemption for CO2 emissions from non-fossil fuel sources, such as biomass.

Thank you for your consideration of these comments.

Sincerely,

Clay Goodman
City Manager