

Biomass Accountability Project* Biofuelwatch

May 31, 2011

BY OVERNIGHT MAIL

Michael Brune
President
Sierra Club
National Headquarters
85 Second Street
2nd Floor
San Francisco, CA 94105

Re: **Request that Sierra Club withdraw its support for and 50 MW Biomass Solid Waste Incinerator Proposed for Rothschild WI**

Dear Mr. Brune,

Just over one year ago, we sent a letter to you and the Sierra Club Board asking that the Club **“formally oppose all federal and state programs that qualify the use of biomass combustion as a renewable energy generating source.”** Our letter is attached as Exhibit 1. Sierra has yet to take a stand against biomass combustion and indeed has shown a marked lack of leadership on this issue nationally. As you may be aware, twelve other leading environmental and health groups have signed “Principles on Sustainable Biomass” that as a practical matter calls for elimination of subsidies for commercial biomass combustion for renewable electricity purposes.¹

While we realize Sierra is a member-driven organization, the issue of burning biomass for so-called “renewable energy” demands your leadership as Club President. There are 234 commercial biomass incinerators proposed for the U.S. at this time, with potentially devastating climate change, public health, and ecosystem impacts. There are, in addition, a large number of “waste-to-energy” facilities being proposed.

¹ See, Exhibit 2 hereto, which states in pertinent part:

“Avoid Toxic and Other Air Pollutants: Facilities receiving incentives for producing biomass energy must not contribute to greater air pollution per unit of energy produced than would result from the energy source they replace or compete with, including, for example, NOx, VOCs, and PM, must not increase local community exposure to such pollutants, and must not be afforded special treatment under the Clean Air Act.” As our 2010 correspondence to you indicates, biomass combustion for electricity generates greater air pollution than coal, and increases local community exposure to such pollutants.

This letter is directed specifically at Sierra Club's continued support for the 50 MW biomass incinerator proposed for Rothschild, Wisconsin. This incinerator is being built as part of a settlement agreement among Sierra Club, Clean Wisconsin, and five power companies regarding cooling water intake and discharges from the Oak Creek Power Plant and Elm Road Generating Station. Under the settlement agreement, one of the power generators, WEPCO, will build and operate the biomass incinerator to fulfill its so-called "renewable energy" generating obligations. A copy of the settlement is attached as Exhibit 3. We request that Sierra Club reopen the settlement agreement and relieve WEPCO of its obligation to build a biomass combustion power plant.

The Rothschild biomass incinerator has been issued an air pollution permit by Wisconsin that allows it to burn paper mill sludge, municipal solid waste and other materials that are considered "solid waste" under Wisconsin law. As stated in the air permit, the incinerator can burn 100% of any of these materials:

logging residue, discarded woody material from primary manufacturing facilities, on-site pulp and paper wastewater plant residue, leftover woody material from secondary manufacturers such as door, window, cabinet manufacturers, woody biomass from municipality wood waste, clean solid waste from discarded wood packaging such as pallets/crating and from construction and demolition activities.

The air pollution will include emissions of dioxin, mercury, particulate matter, hydrochloric acid, lead, and 602,090 tons of CO₂e greenhouse gases – at total of 18,062,090 CO₂e over the next thirty years while this incinerator operates.²

While the industry asserts that the combustion of this solid waste material for electricity is "carbon neutral" there is no data to support this. As you are aware, the "carbon neutral" myth of biomass burning has been debunked by unrebutted scientific evidence. According to the Manomet Study, net carbon emissions from burning biomass in utility scale facilities emits more carbon than coal, and it will take decades to pay off the "carbon debt" created by harvesting forests for fuel.³ The Manomet Study addresses only the carbon impact of using woody biomass from forests and not the types of solid waste that will be burned at the Rothschild biomass facility. Thus, claims of carbon neutrality are even less supportable in this instance, since there is no data on record about the "carbon neutrality" of burning the waste materials allowed under the WEPCO permit.

Moreover, the Rothschild air pollution permit sets a greenhouse gas emissions limit of 3,050 pounds of CO₂ per MWh of gross output, averaged over any consecutive 12-month period, while the nearby coal plant (Weston Unit 4) with supercritical

² The WEPCO project will be located at the Domtar Paper Mill. <http://www.pfpi.net/domtar-biomass-power-plant-would-be-a-huge-polluter>

³ http://www.manomet.org/sites/manomet.org/files/Manomet_Biomass_Report_Full_LoRez.pdf; www.pfpi.org

pulverized coal-fired boiler emits 1,853 pounds per MWh. Thus, any claim by WEPCO or anyone else that burning “biomass” is BACT under the Clean Air Act for greenhouse gases is simply untrue, based on per MWh emissions from the smokestack.

We understand that Sierra Club obtained a substantial financial benefit from entering into the settlement agreement that is resulting in construction of the biomass incinerator. The agreement requires the power companies to pay \$4 million per year 2010 to 2035, for a total of \$100 million over 25 years for Lake Michigan clean up and restoration work. Paragraph E, 11. In addition, \$5 million is provided to a non-profit group to work on greenhouse gas reduction targets. Paragraph F, 13. The \$105 million paid under the settlement agreement is essentially funded by Wisconsin ratepayers when they pay for their electricity.

We have not yet completed our research, but plan to pursue inquiry into how the \$105 million in ratepayer money is being allocated among the non-profit groups, including Sierra, who are overseeing the Lake restoration and greenhouse gas advocacy work.

A review of the settlement agreement shows that the Rothschild “biomass” solid waste incinerator is inconsistent with the intent, purpose, and explicit language of the agreement. Moreover, under Paragraph C, 7, Sierra Club has met its obligations by supporting “all necessary applications by WEPCO to obtain regulatory approval and rate recovery for the actions required by this Paragraph, by filing written comments with the appropriate regulatory agencies.” The settlement agreement does not require Sierra Club to support a project that is fundamentally at odds with the intent, purpose, and specific goals of the settlement agreement, including efforts to reduce greenhouse gas emissions.

As your staff is probably aware from reviewing testimony provided to the Public Service Commission, which has approved this project, there are significant health and environmental concerns that have been raised by the community and others. Most notably, the D.C. Everest School District provided testimony to the Public Service Commission that the project threatens the health of its 2,600 students and to the staff. Exhibit 4. In addition, Packaging Corporation of America testified that the project will threaten its ability to operate its co-generation biomass burner at its Tomahawk paper mill by driving up the cost of wood, and that the paper mill may have to burn more coal. Exhibit 5.

The Rothschild biomass incinerator is proceeding on a rapid timetable to take advantage of about \$90 million in taxpayer subsidies under the American Recovery and Reinvestment Act. Citizens have filed an appeal of the air permit. Exhibit 6 hereto. The appeal is being handled by volunteers who have been advocating against this project for over a one year – another unfortunate aspect of the situation that is pitting grassroots environmental activists, everyday citizens including parents, teachers, and grandparents against Sierra Club and others.

There are several avenues Sierra can pursue to relieve WEPCO of its obligations to build a biomass combustion power facility under the settlement agreement. If necessary, Sierra can use part of the \$105 million to reimburse WEPCO for its engineering and permitting expenditures. This will help the area's water resources, since the biomass incinerator will use about 850,000 million gallons per day of cooling water, and dump heated toxic effluent into the Wisconsin River. It will also stop the climate change impacts of emitting 18,062,090 CO₂e over the next thirty years while this incinerator operates.

Please let us know if you would like any further information, or if there is anything we can do to facilitate Sierra Club's efforts to ensure that this toxic incinerator does not use up ratepayer and taxpayer money intended for so-called "clean and green" renewable energy. We request a reply by June 7, 2011. Please direct your response to Attorney Meg Sheehan, Biomass Accountability Project, 800-729-1363.

Very truly yours,

Biomass Accountability Project
Margaret E. Sheehan, Esq.
Dr. William A.H. Sammons

PO Box 380083
Cambridge MA 02338
meg@ecolaw.biz

Biofuelwatch
Dr. Rachel Smolker
Hinesburg, Vermont

Cc:
Coordinating Attorney, Sierra Club Environmental Law Program
Packaging Corporation of America, c/o Linda Clifford Law Office, LLC (email)
Dr. Kristine Gilmore, Superintendent, D.C. Everest School District, Rothschild, WI
Save Our Air Resources, Rothschild, WI
James McCaffrey, Director, Massachusetts Chapter, Sierra Club (email)

Exhibits:

- 1- May 12, 2010 Letter from Biomass Accountability Project and Biofuelwatch to Sierra Club
- 2-Principles for Sustainable Biomass
- 3-Settlement Agreement
- 4-Direct Testimony of Dr. Kristine A. Gilmore on Behalf of D.C. Everest Area School District, October 29, 2010
- 5- Response of Package Corporation of America to WEPCO and Domtar's modified allocation proposal submitted pursuant to the Commission's April 29, 2011 Supplemental Scheduling Order
- 6-Request for Hearing on Contested Case - Air Permit Appeal