

BLOOMBERG BUSINESS WEEK

Biomass industry slams proposed Mass. regulations

By LYLE MORAN

BOSTON

Leaders in the wood-burning power plant industry said Monday that proposed new regulations for the plants released by Gov. Deval Patrick's administration would drastically curtail the building of any new facilities in Massachusetts and eliminate potential green jobs.

The draft regulations released Friday by the state's Department of Energy Resources do not ban wood-burning power plants, but make it more difficult for such plants to receive renewable energy credits.

Bob Cleaves, president of the Biomass Power Association, which owns and operates 15 power plants in New England, says the regulations set "unachievable" renewable energy efficiency standards for projects to acquire the state support he says is needed to secure other investors. He said Massachusetts would be the first state to adopt such stringent rules.

"We believe these rules will chill any new plant in the commonwealth," he told reporters. "We think we can achieve these renewable energy goals without putting people on the unemployment line and chilling investment."

The proposed rules, which will be debated at a public hearing in October, require wood-burning plants to reach 40 percent overall efficiency to receive half the total of a full renewable-energy credit. In order to receive the full credit, a facility would have to achieve an efficiency standard of 60 percent.

Bob Keough, a spokesman for the state Executive Office of Energy and Environmental Affairs, said the proposed regulations follow a state study showing that biomass facilities in comparison to other renewable energy facilities produce more carbon emissions. He said facilities that produce both power and heat should be able to meet the efficiency standards.

"The regulations make it less likely that large stand-alone, electricity-only plants will qualify going forward," he said.

Developers of new plants in the state like Matthew Wolfe, the principal of Pioneer Renewable Energy, which is developing a 46 megawatt biomass plant in Greenfield, said state officials are unfairly targeting the biomass industry.

"The efficiency standard is completely arbitrary and not based on science," he said.

But Meg Sheehan, a leader of the Stop Spewing Carbon ballot campaign, said the regulations are a positive first step in ensuring that taxpayer money is not spent on facilities she said are detrimental to public health.

"We feel this money could be used to create jobs in the building trades for retrofitting homes and businesses," she said. "Any biomass facility that is built will be somewhat greener."

Sheehan said her group had enough signatures to pursue a ballot question that would have severely restricted the amount of carbon dioxide the power plants could emit, but decided not to pursue that path after the Patrick administration promised to offer its own strict rules.

James McCaffrey, director of the Massachusetts Sierra Club, said the new science shows that the state should be giving its tax credits to solar and wind power industries.

"We can't give green energy credits for something that is not green and preventing us from meeting other green energy goals," he said.

Biomass has long been part of the state's portfolio of renewable energy sources, along with solar, wind and geothermal energy.

The Patrick administration has already invested \$1 million to jump-start four proposed wood-burning plants in Russell, Greenfield, Springfield and Pittsfield, as it tries to reach the state-mandated goal of reducing greenhouse gas emissions 80 percent by 2050.

But state officials decided to pursue stronger regulations of the industry after a state-commissioned study from the Manomet Center for Conservation Sciences found that biomass-fired electricity would result in a 3 percent increase in carbon emissions compared to coal-fired electricity by 2050. Coal is considered one of the chief culprits of greenhouse gas emissions.