

# CHESAPEAKE PSR

PHYSICIANS FOR SOCIAL RESPONSIBILITY 

September 7, 2018

Bob Sadzinski  
Power Plant Siting Assessor  
Power Plant Research Program  
Maryland Department of Natural Resources  
580 Taylor Avenue, Tawes State Office Building  
Annapolis, MD 21401

Re: Comments on draft SWOT analysis of Black Liquor

Dear Mr. Sadzinski:

We appreciate the opportunity to comment on the draft SWOT analysis of black liquor credits that was presented at the August 29, 2018 meeting of the Renewable Portfolio Standard Work Group.

This SWOT captures many of the concerns we have with black liquor, including that it is highly polluting and makes up a significant number of RECs that could otherwise go to support emissions-free renewable energy. However we believe the SWOT also misses two key points that should be included on the “strength” side, as discussed below.

First, it is our understanding that the burning of black liquor to power mill operations puts little or no electricity onto the grid, either in Maryland or elsewhere. Removing black liquor from the RPS would not just shift REC purchases to other forms of renewable energy (as noted in the SWOT), with proper changes to the RPS, it could actually support the addition of renewable energy to the grid that serves Maryland, the stated purpose of the RPS.

Second, removing black liquor would correct an economic injustice to Maryland residents. The SWOT emphasizes the importance of black liquor REC sales to Luke Mill but fails to note that RECs from Luke represented only 4.07% of black liquor RECs sold to Maryland utilities in 2016. In

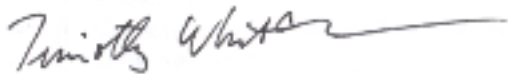
contrast, 95.93% of black liquor RECs came from facilities in Virginia, North Carolina, Ohio and Tennessee. *This means that for every dollar Maryland ratepayers provided to Luke Mill, they handed over 24 dollars to out-of-state companies.* This makes the RPS an extraordinarily expensive and ineffective way to subsidize a single company. It also means that in an area when the pulp in paper industry is under tremendous economic pressure, Maryland residents are providing economic support to mills that may be competing for the same market share as Luke Mill.

We also want to express our more general concern that the SWOT approach used here gives equal credence to “both sides” of an issue, even when the two are not equally valid. The fact that industry members use the language of renewable energy to argue for special treatment of their industrial process does not make that process legitimately carbon-neutral.

Finally, the SWOT presents the impact of the loss of a subsidy to one company and its surrounding community without presenting the countervailing gain to other companies and their communities that would result from shifting the REC subsidy from black liquor to cleaner technologies.

Thank you for the opportunity to comment on the SWOT analysis. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Timothy Whitehouse". The signature is written in dark ink and includes a long, horizontal flourish extending to the right.

Timothy Whitehouse  
Executive Director