



**LEGISLATIVE POSITION: FAVORABLE**

**Senate Bill 903**

**Renewable Energy Portfolio Standard - Qualifying Biomass and Thermal Biomass Systems**

**Senate Finance Committee**

**March 1, 2022**

The Honorable Delores Kelley, Chair, Senate Finance Committee  
The Honorable Brian Feldman, Vice Chair, Senate Finance Committee

Dear Chair Kelley, Vice Chair Feldman, and Members of the Committee:

The American Forest & Paper Association<sup>1</sup> (AF&PA) appreciates the opportunity to share our perspective on Senate Bill 903 on behalf of our members and their employees who are an integral part of the circular economy. In Maryland the forest products industry employs nearly 6,000 individuals in facilities that produce packaging, sales displays, corrugated boxes and other products with an annual payroll of over \$374 million.<sup>2</sup>

Through the highly efficient use of biomass residuals of the forest products manufacturing process, AF&PA members generate renewable bioenergy and have improved their energy efficiency and reduced fossil fuel use and greenhouse gas (GHG) emissions by 23.3 percent since 2005. Bioenergy from forest products manufacturing residuals provides large GHG reduction benefits – roughly equivalent to removing 35 million cars from the road. SB 903 allows forest products to remain in the definition of qualifying biomass and enables these clean technologies to qualify as a Tier 1 renewable source. Accordingly, AF&PA encourages the Committee to give SB 903 a favorable report.

**AF&PA Members Generate Renewable Energy While Reducing GHG Emissions**

The forest products industry produces and uses renewable energy for manufacturing operations and is a significant contributor to our country's existing base of renewable energy. On average, approximately two-thirds of the energy used at AF&PA member pulp and paper mills is generated from carbon-neutral biomass.

The industry also strives to use all types of energy as efficiently as possible. The industry is a leader in the use of combined heat and power (CHP) technology, which is extremely efficient because it uses the

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<sup>1</sup> The American Forest & Paper Association (AF&PA) serves to advance U.S. paper and wood products manufacturers through fact-based public policy and marketplace advocacy. The forest products industry is circular by nature. AF&PA member companies make essential products from renewable and recycle resources, generate renewable bioenergy and are committed to continuous improvement through the industry's sustainability initiative — [Better Practices, Better Planet 2030: Sustainable Products for a Sustainable Future](#). The forest products industry accounts for approximately four percent of the total U.S. manufacturing GDP, manufactures nearly \$300 billion in products annually and employs approximately 950,000 people. The industry meets a payroll of approximately \$60 billion annually and is among the top 10 manufacturing sector employers in 45 states.

<sup>2</sup> Data sources: U.S. government, AF&PA, and RISI. Figures are the most recent available as of December 2020.

Maryland Senate Finance Committee

March 1, 2021

Page 2

same fuel to produce both thermal energy used in the manufacturing process as well as electricity, some used on-site and some sold to the grid. In 2018, over 98 percent of electricity produced by the industry was CHP-generated. The use of CHP provides energy efficiencies in the range of 50 to 80 percent at forest products mills, far beyond non-CHP electrical stations such as utilities, which are only about 33 percent energy efficient.

Our commitments to renewable biomass energy and energy efficiency, including our extensive use of CHP, have led to a major decrease in the sector's use of fossil fuel and GHG emissions. Energy purchased by member pulp and paper mills has decreased dramatically. In 2018, AF&PA member GHG emissions were 23.2 percent less than the 2005 baseline year, surpassing our new 2020 goal of 20 percent reductions.

The forest products industry has played an important role in helping Maryland and the nation meet their renewable energy objectives. SB 903 will help ensure our ability to continue using clean bioenergies, displace fossil fuels, and reduce greenhouse gas emissions in a highly sustainable manner. We request that the Committee give this bill a favorable report.

We look forward to continuing our work with the State of Maryland. Please feel free to contact Elizabeth Olds, Government Affairs Manager, AF&PA at [Elizabeth\\_Olds@afandpa.org](mailto:Elizabeth_Olds@afandpa.org) for further information.

Thank you.

/s/

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American Forest & Paper Association