



COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF
ENERGY AND ENVIRONMENTAL AFFAIRS
DEPARTMENT OF ENERGY RESOURCES

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Ian A. Bowles
Secretary, Executive Office of Energy
and Environmental Affairs

December 3, 2009

Philip Giudice
Commissioner

Dear Massachusetts Biomass Energy Stakeholders:

I write to update you on the status of the Massachusetts Renewable Portfolio Standard (RPS) as it pertains to biomass energy.

Since the passage of the state's RPS legislation in 1997 as well as similar programs in other states in our region, renewable energy generation in Massachusetts and our neighboring states has increased significantly to meet the rising standard. We are currently seeing within our state tremendous growth particularly in solar and wind power to help meet the RPS goals as well as our greenhouse gas mandates. In addition, our state is now leading the nation in investment in energy efficiency. Based on the MA RPS legislation, low emissions advanced biomass power plants and other RPS-eligible sources have contributed meaningfully to the RPS supply and have replaced fossil fuel power plants. Congress is now also actively working to establish a national renewable level mandate modeled on state RPS programs, including ours in Massachusetts.

The Massachusetts RPS program, however, predates the development of new greenhouse gas requirements promulgated in the Commonwealth, notably through the Global Warming Solutions Act of 2008. In recognition of scientific questions about the sustainability of biomass energy, both from a forest management and greenhouse gas perspective, Secretary of Energy and Environmental Affairs Ian Bowles directed DOER in June 2009 to revise our regulations to include "sustainability" requirements for eligible biomass fuel. In keeping with the Secretary's directive, and pursuant to DOER's authority to interpret and implement the RPS statute, DOER has identified the "sustainability" of biomass fuel - both from a forest management and greenhouse gas perspective - as integral to the qualification of that fuel for the RPS. Therefore, DOER recently commissioned an analysis, led by the Manomet Center for Conservation Sciences, to identify the best available science and policy options to meet this requirement and appropriately direct and regulate the development of biomass energy for Massachusetts.

The Department of Energy Resources is committed to the continued growth of renewable energy for the Commonwealth. Our policies and programs for renewable energy are intricately tied to

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our commitments to reduce greenhouse gas emissions and to protect our natural environment. While we remain interested in the role that biomass energy can play in serving these interrelated goals, we are also keenly aware that the unregulated development of biomass does not guarantee that these goals will be met. Further, we recognize that understanding the complex interrelations of biomass energy, forest management, and greenhouse gas accounting requires a scientific approach that takes full advantage of the available scientific literature and objective research.

DOER will await the work of the Manomet analysis to inform the integration of "sustainability" into our RPS regulation and our policy on biomass energy development generally. Until this work is done, and the Commonwealth has the necessary confidence that its incentives for biomass energy will produce appropriately sustainable results, DOER will suspend its consideration of biomass energy applications for qualification under the MA RPS program. All biomass energy Statement of Qualification Applications which are either currently pending at DOER or received by DOER, will be suspended, and no Statement of Qualifications will be issued until DOER revises its RPS regulations to address the sustainability of biomass energy. DOER will proceed in as timely a manner as possible to resolve the uncertainty that these issues have raised and anticipates that this suspension may last approximately one year to allow time for the Manomet review and subsequent regulatory processes to conclude.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip Giudice", with a long horizontal flourish extending to the right.

Philip Giudice
Commissioner