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SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP

We would like to draw your attention to an opinion piece [published today](#) in Biomass Magazine by USIPA Executive Director Seth Ginther regarding the U.S. withdrawal from the Paris Agreement and the proposed renewable energy directive legislation currently making its way through the EU Parliament.

## **[Setting the record straight on the Paris Agreement](#)**

June 8, 2017

By Seth Ginther, Executive Director, USIPA

Even though President Trump has chosen to withdraw the U.S. from the Paris Agreement, U.S. pellet producers will still be able to participate in mitigating the negative impacts of climate change by continuing to supply sustainable wood pellets to European power generators, thereby helping EU member-states meet their renewable energy targets under the Paris Agreement. To this end, legislation is currently making its way through the EU in the form of the Renewable Energy Directive (RED II). Over the next six to 12 months, the RED II will be debated, drafted, amended, and redrafted several times before the European Parliament and European Council ultimately reach a consensus and approve language in the legislation.

### **The current draft of the RED II goes to great pains to include a risk-based approach to proving sustainability**

The European Commission went to great pains to recognize the importance of a risk-based approach to proving sustainability in its draft of the RED II which, once it makes its way through the labyrinth legislative process over the next six to 12 months, will be the controlling legal document on how EU member-states meet their targets under the Paris Agreement. The RED II for the first time introduces “sustainability criteria” or “sustainability provisions” for solid biomass in Article 26. The RED II then goes on to highlight in five other sections (Section 2.3 “the new sustainability provisions follow a risk-based approach”, Section 3.2 “introducing a risk-based sustainability criterion for forest biomass”, Section 3.4(vi) discussing how the risk based approach delivers optimal greenhouse gas (GHG) savings while minimizing risks, Section 5 (description of Article 26) “A new risk-based sustainability criterion for forest biomass is introduced”, Recital 76 “Operators should put in place a risk-based approach”) that Article 26 and the sustainability criteria must follow a risk based approach.

### **The RED II allows countries that are not signatories to the Paris Agreement to supply biomass to the EU**

While Article 26, otherwise known as the sustainability criteria, does indeed require that biomass fuels come from nations that are signatories and ratifiers of the Paris Agreement, Article 26 also



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creates an exemption to that requirement for supplier nations that are not signatories or ratifiers of the Paris Agreement. The exemption language states, “When the evidence referred to in the first subparagraph is not available [that the supplying country is a signatory to the Paris Agreement], the . . . biomass fuels produced from forest biomass shall be taken into account...if management systems are in place at forest level to ensure that carbon stocks and sinks levels in the forest are maintained.” As the drafters have gone to great pains throughout the RED II to tell us that you prove Article 26 through a risk-based approach, the way that U.S. producers can provide the evidence called for in the foregoing sentence is by providing evidence of following a risk-based approach such as a certificate from the Sustainable Biomass Partnership (all U.S. producers are either currently certified by SBP or in the process of becoming certified).

### **U.S. wood pellet supply to the EU meets the public policy objectives behind the RED II even though the U.S. has withdrawn from the Paris Agreement**

The public policy objective behind the RED II is to ensure that EU member-states meet their targets under the Paris Agreement. Interpreting the RED II to not allow the U.S. to supply pellets to EU member states simply because the U.S. has withdrawn from the Paris Agreement would in essence cut off security of supply of that renewable fuel and undermine that public policy objective (not to mention likely be a violation of numerous international trade laws under the WTO). The U.S. wasn't a signatory to the Kyoto Protocols either, but that didn't stop U.S. pellet producers from playing our part helping EU member-states meet their targets under that agreement. When it comes to the politics surrounding the Paris Agreement, as we did with Kyoto, we will leave the politics to the politicians—it's not going to stop us from doing our part to help EU member-states meet their goals. The U.S. withdrawing from the Paris Agreement doesn't make U.S. pellets, U.S. solar panels, or U.S. wind turbines any less renewable. Climate change is too important an issue for us to not utilize every single global renewable fuel supply that we have. Just since last Thursday, 10 US states and numerous U.S. cities have already signed on to the Paris Climate Alliance which is a commitment to follow the Paris Agreement even though the federal government will not.

### **The U.S. may never actually leave the Paris Agreement**

Notice of withdrawal from the Paris Agreement can only be given by a country three years from the date it entered the agreement and then withdrawal then becomes effective one year later. The U.S. formally entered the Paris Agreement on Nov. 4, 2016 meaning formal withdrawal will not be effective until November 4, 2020. The next U.S. presidential election will be held on Nov. 3, 2020. This creates the potential for this policy decision to be reversed before the U.S. formally leaves the agreement.

### **The international pellet production community must continue to work together in a spirit of cooperation as we move to help Europe meet its 2030 targets**

When I reflect on the journey of our industry over the past several years, one of the things we



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should all be most proud of is how a very diverse group of stakeholders from multiple countries and backgrounds have pulled together to create some of the most sophisticated global supply chains in the world to de-strand a renewable natural resource and continuously deliver our product on spec and on time to our customers - we have gone from zero to commodity in a short period. I would call upon our diverse group of pellet producers globally (American producers, Canadian producers, European producers, etc.) as we embark upon the journey of the next decade to help the EU meet its obligations under the Paris Agreement, that we bear in mind the great spirit of cooperation that we have operated under up until now and would urge us to continue that spirit moving forward. Doing anything else would be counterproductive.

M. Seth Ginther  
Executive Director  
U.S. Industrial Pellet Association

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Richard P. Vlosky, Ph.D.  
*Director, Louisiana Forest Products Development Center*  
*Crosby Land & Resources Endowed Professor of Forest Sector Business Development*  
Room 227, School of Renewable Natural Resources  
Louisiana State University, Baton Rouge, LA 70803  
Phone (office): (225) 578-4527; Fax: (225) 578-4251; Mobile Phone: (225) 223-1931  
Web Site: [www.LFPDC.lsu.edu](http://www.LFPDC.lsu.edu)



**President, Forest Products Society; President, WoodEMA i.a.**

