



TO: RGGI Staff Workgroup  
FROM: Michael Barden, Director Environmental Affairs  
DATE: May 22, 2006  
RE: RGGI Model Rule

The Maine Pulp and Paper Association (MPPA) is pleased to submit these comments on the Draft RGGI Model Rule dated March 23, 2006.

MPPA is a trade association with offices in Augusta, Maine, which represents the pulp and paper industry in this State<sup>1</sup>. The Association's mission is to earn public support and promote sound public policy so that the long-term viability and success of the industry in Maine is achieved in a global economy. MPPA member companies employ large industrial boilers to meet their energy needs, some of which may be subject to the regional GHG cap-and-trade program as currently drafted.

MPPA fully supports comments provided by the New England Council and associated State Chambers of Commerce, including the Maine Chamber of Commerce. In addition to those comments, MPPA respectfully requests that RGGI consider modifying the model rule to incorporate the following changes.

1. Section 1.2 (f) "Biomass" definition should be expanded to include all forms of wood fiber that are commonly combusted at pulp and paper mills. These would include combustion of wood fiber (black liquor) in chemical recovery boilers and waste paper and waste water treatment residuals burned in multi-fuel boilers for energy recovery. Inclusion of these fuels would be consistent with other national and international protocols.
2. Allowances and/or promotion of Combined Heat and Power (CHP) applications. The Model Rule should include a definition for CHP that tracks 40 CFR, Part 72, and provide incentives to encourage its application in the region. CHP represents one of the most efficient uses of energy for

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<sup>1</sup> MPPA members include Domtar Industries, Fraser Papers, Georgia-Pacific, International Paper, Katahdin Paper Company, Madison Paper Industries, Sappi Fine Paper NA, and Wausau Paper.

industrial/commercial heating and cooling purposes and RGGI should be promoting its use to the maximum extent possible.

3. The applicability section for an “affected unit” should be modified to match that found in 40 CFR, Part 75. That definition keeps the 25Mw threshold, but requires the sale of at least 1/3 of potential electrical generation to the grid for distribution. We believe this trigger level would better reflect those combustion units that are being deployed primarily for electricity generation sales as opposed to units that are predominantly used for on-site industrial/commercial energy purposes.
4. The apparent requirement for affected units to install continuous CO<sub>2</sub> emission monitoring systems is overly burdensome. Such monitoring equipment will be expensive to install and is not consistent with other GHG reporting requirements, which are based on calculations of fuel use and carbon content. In fact, RGGI used such calculated emissions rates to establish allocation budgets for the participating states.

Thank you for providing this opportunity for public comment. Please feel free to contact me with any questions.