

February 28, 2012

Ms. Katie King
Committee Counsel
PURC Energy Advisory Council
P.O. Box 142
Columbia, SC 29202

Re: Comments on the South Carolina Resource Study Prepared by Black & Veatch for the South Carolina Energy Advisory Council

MWV Specialty Chemicals appreciates the opportunity to submit comments on the South Carolina Renewable Resource Study. MWV Specialty Chemicals has increased our focus on regulatory and legislative initiatives, policy efforts, and industry-related developments, particularly those addressing climate and energy issues that impact the Pine Chemistry sector. We are interested in the Black & Veatch report because it contains an important analysis of existing renewable resources in the State of South Carolina that could be used to guide future legislative efforts. Therefore, we offer these comments on the report.

MWV Specialty Chemicals relies on co-products (including black liquor soap, crude tall oil, and crude sulfate turpentine) from the forestry sector to make hundreds of essential high-value products. As the Black & Veatch study mentions, crude tall oil (CTO) is a “sustainable and renewable chemical raw material”. CTO is derived from black liquor soap skimmings that are further distilled and turned into valuable products such as adhesives, lubricants, detergents, synthetic rubber, paints, coatings, agricultural additives, and printing inks.

MWV Specialty Chemicals supports the use of renewable energy. However, policies meant to encourage the use of biomass for energy production should not unfairly disadvantage the Pine Chemistry sector. The creation of mandates or incentives to burn renewable biomass for energy can distort the market for co-products like black liquor soap and crude tall oil. The forestry sector can be an important biomass source for fuel; however, it is imperative that policies regarding biomass or renewable resources not directly or indirectly disadvantage the Pine Chemistry sector’s feedstock materials.

MWV Specialty Chemicals supports the development of a unified definition of biomass. As the study notes, others have also advocated for a “practical” definition of what should be considered “renewable biomass”. MWV Specialty Chemicals recommends that the definition include a careful delineation of the types of biomass that would be eligible for governmental promotion as an energy source and the types of biomass that should be utilized for the production of higher-value materials.

We thank the Energy Advisory Council for the opportunity to comment on this study. We offer these comments to inform and enhance your efforts. If you have any questions, or if you would like to discuss these comments in more detail, please contact me at (843) 740-2358.

Sincerely,

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