

February 12, 2025

To Mr. Muto Yoji, Minister of Economy, Trade and Industry

Request to Restrict Unsustainable Wood Biomass Imports

The undersigned organizations are writing to request that the Ministry of Economy, Trade and Industry exclude imported wood biomass from eligibility in the Feed-in Tariff (FIT), biomass-coal co-firing and other forms of government support. Power generation using imported biomass fuel worsens climate change, degrades forests, and threatens the health and safety of overseas communities.

We are diverse organizations ranging from community groups concerned about the local impacts of wood pellet production, to civil rights organizations opposed to wood biomass because of its pollution burdens on vulnerable communities, to regional and national environmental organizations concerned with the overall negative effects of wood pellet production on climate change and the health of North American forests. We ask that any revised policy covers the areas of concern listed below.

Feed-In Tarriff Lacks Restrictions and Enforcement

Currently, the Japanese FIT does not have meaningful restrictions on what type of wood can be imported and combusted. The FIT does not have sufficient requirements to exclude the use of fuels that destroy primary and natural forests, cause legal violations and air pollution at processing plants, or harm local communities. The same issues apply to other governmental support of biomass energy.

Specifically, the revised FIT Biomass Guidelines require companies to confirm traceability for wood biomass but not back to the processing plants. Furthermore, there is limited transparency as disclosure is voluntary, not mandatory. As a result, many companies do not even provide country-level data for wood biomass imports. This weak traceability means that the current system allows pellets produced from any forest and produced with any level of pollution at the production site to be imported and receive subsidy. These forms of imported wood biomass should be ineligible under the current FIT.

In addition, as the FIT does not necessarily cover coal co-firing or industrial uses of wood biomass, all imports and uses of biomass supported by any governmental schemes should be subject to strong sourcing and greenhouse gas standards to prevent destructive biomass, and biomass that worsens climate change, from coming into Japan.

Why Policy Reform to Exclude Imported Wood Biomass is Needed

We are alarmed by the lack of restrictions on imported fuel in Japan as the North American wood biomass industry (from which millions of tons of Japan's wood pellets are sourced) has grown rapidly in a short span of time. There are now 29 wood pellet mills operating in the southeastern United States, and 14 pellet mills in western Canada, and these large-scale facilities primarily produce pellets for export. Civil society organizations are vigorously contesting permits to build three additional pellet mills in Washington State¹ and California.²

¹ Drax has plans to open a plant in Longview, Washington.

Drax. "Longview, Washington State." <https://www.drax.com/us/about-us/longview-washington-state/>

² Drax has plans to open plants in Lassen County and Tuolumne County, California.

Rita Frost. National Resources Defense Council. 16 July 2024. "Drax Coming for California Forests by Partnering with GSNR." <https://www.nrdc.org/bio/rita-frost/drax-coming-california-forests-partnering-gsnr>

Major pellet producers including Enviva, Inc. and Drax Group Plc have too frequently skirted laws intended to protect residents from air pollution and dust, with a lengthy history of legal violations and penalties at many of the mills in the United States, counting more than 10,000 cases,³ and nearly 200 more violations in Canada.⁴ After repeated complaints by residents, one US state recently issued new requirements to reduce excessive fugitive dust from shipping terminals.⁵ As demand for wood pellets by Japanese companies has been a key driver of this expansion, the Japanese government shares a responsibility to reduce the pellet industry's negative impacts and avoid further harm.

Furthermore, legal issues facing pellet companies, in addition to Enviva's recent bankruptcy proceedings, have created financial risk for Japanese companies. By focusing on truly clean energy rather than the risky and unsustainable biomass sector, Japan can take opportunities to lead in forest stewardship and innovative technology while reaping the economic benefits of the clean energy transition.

1. Wood biomass from North America worsens climate change

Wood biomass power emits more CO₂ during combustion than coal-fired power plants.⁶ Wood biomass impacts the climate more broadly as trees are cut down that would otherwise be valuable carbon stores. Furthermore, even if regrown, forests in the southeastern United States can take more than 100 years or more to recapture the carbon lost, not to mention the emissions of processing and transporting the wood.⁷ In Canada's slower-growing northern forests, that period of increased atmospheric carbon dioxide levels could last for centuries.⁸

2. Wood biomass production harms our forests

Primary forests in Canada, the second largest exporter of wood pellets in the world, are harmed by increasing demand for wood biomass. Never been logged primary forests, including old growth forests critical for biodiversity, are being clear-cut and turned into biomass fuel.⁹ Whole trees are widely used, contrary to the industry's claim that they utilize mill residues. This subsidized industry

³ Southern Environmental Law Center. "Violations at Wood Pellet Plants Harm Southern Communities"

<https://www.southernenvironment.org/biomass-violations/>

Camille Corcoran. Land and Climate Review. 4 November 2024. "Drax-owned facilities broke environmental rules more than 11,000 times in the US" <https://www.landclimate.org/drax-usa-11000/>

⁴ Jaysim Hanspal And Bertie Harrison-Broninski. Land and Climate Review. 14 May 2024. "Drax's Pellet Mills Violated Environmental Law 189 Times in Canada." <https://www.landclimate.org/drax-mills/>

⁵ North Carolina Department of Environmental Quality. 24 June 2024. "DEQ Requires Two Companies to Adopt Dust Control Measures at the Port of Wilmington." <https://www.deq.nc.gov/news/press-releases/2024/06/24/deq-requires-two-companies-adopt-dust-control-measures-port-wilmington>

⁶ Center for Biological Diversity. June 2020. "Biomass Energy is Polluting: A False Climate Solution that Worsens the Climate Crisis." https://www.biologicaldiversity.org/programs/climate_law_institute/pdfs/Biomass-Energy-Is-Polluting-2.pdf

⁷ John Sterman, Lori Siegel, and Juliette Rooney-Varga. IOP Science. 18 January 2018. "Does Replacing Coal with Wood Lower CO₂ Emissions? Dynamic Lifecycle Analysis of Wood Bioenergy." <https://iopscience.iop.org/article/10.1088/1748-9326/aaa512/meta>

⁸ Jay R Malcolm, Bjart Holtsmark and Paul W Piascik. "Forest harvesting and the carbon debt in boreal east-central Canada." Climatic Change. Apr. 11, 2020. p.14 <https://doi.org/10.1007/s10584-020-02711-8>

⁹ Conservation North. "Logging What's Left." <https://conservationnorth.org/logging-what-left-japanese/>
Biofuel Watch. "Logging What's Left." <https://www.biofuelwatch.org.uk/2024/drax-bc-pellets-investigation/>

is enabling the further exploitation of forests to serve Japanese buyers, with 76% of pellets produced in British Columbia shipped to Japan in 2023.¹⁰

In the United States, the biomass industry's ceaseless drive to provide wood pellets for foreign power plants destroys 175,000 acres of forest (70,820 hectares) in the South every year.¹¹ Wood biomass production degrades forest ecosystems, worsens flooding and erosion, potentially intensifying impacts from weather and natural disasters.¹² Pine and other monoculture plantations are growing in place of natural forests. These monocultures lack biodiversity and do not absorb and store carbon at the levels that natural forests and ecosystems are able to.¹³

3. Wood biomass production violates the civil rights of communities

Wood pellet plants emit toxic levels of pollution, including particulate matter, volatile organic compounds (VOCs), carbon monoxide, methanol, formaldehyde as well as noise pollution. These plants have a history of evading Clean Air Act requirements to avoid installation of more stringent pollution controls, and for violating emissions limits in their permits, which exposes these communities to excessive levels of pollution.¹⁴

In the US South, Black and underserved communities experience the worst of the wood biomass industry. Wood pellet mills have become major sources of additional air and noise pollution in already disadvantaged communities in the southeastern United States. Across the southeastern United States wood pellet mills are 50% more likely to be located in such communities.¹⁵ This has prompted years of opposition, including a demand from the NAACP, known for its advocacy during the civil rights movement, to call for a moratorium on the manufacturing of pellets. The NAACP resolution stated, "the hazardous and toxic manufacturing of wood pellets has proven to be a clear-cut case of environmental injustice by wood biomass industries, mostly locating their operations in close proximities of low income and/or communities of color."¹⁶

Global Developments in Biomass Sustainability Policies

Governments globally are removing subsidies and tax incentives for biomass in favor of keeping forests intact and promoting more truly renewable forms of energy.

¹⁰ Ben Parfit. Center for Policy Alternatives. April 2024. "Log it and Burn it: Wood Pellets, Climate and British Columbia's Deepening Forest Crisis." <https://policyalternatives.ca/sites/default/files/uploads/publications/2024/04/CCPA-Log%20it%20and%20burn%20it-web%20final.pdf>

¹¹ Dogwood Alliance. "Hold Enviva Accountable to Communities." <https://dogwoodalliance.org/actions/2023-enviva-petition/>

¹² Environmental Paper Network. "The Biomass Delusion." <https://environmentalpaper.org/biomass/the-biomass-delusion/>

¹³ Anand Osuri et al. IOP Science. 18 February 2020. "Greater Stability of Carbon Capture in Species-rich Natural Forests Compared to Species-poor Plantations." <https://iopscience.iop.org/article/10.1088/1748-9326/ab5f75>

¹⁴ Mokuzaï Joho. February 2023. "Health impacts of Air Pollution from Wood Pellet Production in the Southeastern US." <https://www.mightyearth.org/wp-content/uploads/biomasshealth2023.pdf>

¹⁵ Stefan Koester and Sam Davis. April 2018. "Siting of Wood Pellet Production Facilities in Environmental Justice Communities in the Southeastern United States." pp 64-70. <http://doi.org/10.1089/env.2017.0025>

¹⁶ NAACP. October 2021. Resolution in Opposition to Wood Pellets Manufacturing and Use of Wood-Bioenergy. <https://naacp.org/resources/resolution-wood-pellets-opposition>

Recently, South Korea, which has subsidized the biomass industry for over a decade, has decided to reduce subsidies for biomass energy and will not support any new biomass power plants.¹⁷ This decision affirms their commitment to invest in a renewable future – one that does not include large-scale imported biomass.

In the United States, a new regulation from the Department of Treasury and the Internal Revenue Service explicitly declined to classify biomass as carbon neutral for purposes of the clean energy tax credits created by the Inflation Reduction Act. While subsequent government analyses are needed to determine whether any form of biomass will be deemed eligible, the rule notes that power plants reliant on wood pellets are unlikely to qualify as zero-emitting for purposes of the tax credit.¹⁸

UN PRI, a global network of sustainable investors, recently released a policy report titled “Addressing EU bioenergy policy and investment risks for climate and nature.”¹⁹ They recommend that policy makers shift away from biomass for energy to more nature-based climate solutions and remove financial support and incentives for primary biomass for energy. In their report, they emphasize the high economic value of living forests, which is greater than that of burning wood for fuel.

For the above-listed reasons, the Ministry of Economy, Trade and Industry, which has jurisdiction over the biomass energy policies, should adopt the following standards:

1. *Disallow the import of fuels that are found to be destroying primary and natural forests.* For this purpose, we must require biomass power generators to confirm that fuel they import does not originate in primary or natural forest including unused wood, waste wood, and sawmill residue in order to ensure that it does not contribute to forest degradation or conversion of natural forest to plantations.
2. *Disallow the import of fuels that are found to be causing air pollution at processing plants* in violation with the Clean Air Act (in the US) or other laws.
3. *Disallow the import of fuels that are found to be harming communities.* For this purpose, we must require biomass power generators to confirm that imported fuel does not contribute to air pollution or violate local or national environmental laws. Sustainability certifications should not be accepted as evidence of legality or sustainable practice.
4. *Require companies to count and disclose all CO₂ emissions from the full lifecycle of biomass power and other uses of biomass in accordance with the GHG Protocol.*²⁰
5. *Clarify an enforcement mechanism* for responding to illegal activities and impose penalties on companies who violate the above-listed regulations.

¹⁷ Victoria Milko. 22 January 2025. South Korea to shrink biomass energy subsidies after criticism over link to deforestation. AP News. <https://apnews.com/article/biomass-energy-south-korea-deforestation-40bd1ca250562f5dcaa2231cdc628a9f>

¹⁸ <https://www.federalregister.gov/documents/2025/01/15/2025-00196/section-45y-clean-electricity-production-credit-and-section-48e-clean-electricity-investment-credit>

¹⁹ UN PRI Policy briefing: Addressing EU bioenergy policy and investment risks for climate and nature <https://www.unpri.org/policy-reports/policy-briefing-addressing-eu-bioenergy-policy-and-investment-risks/12921.article>

²⁰ The Greenhouse Gas Protocol currently requires corporate reporting of biogenic emissions and is revisiting its guidance on emissions from land use. The IPCC will soon take up methodological work on carbon dioxide removal (CDR) definitions, which may result in revisions to the current inaccurate treatment of emissions from biomass power at the national level. Changes in accounting rules could undercut the basis for the use of woody biomass in the power sector by more accurately counting lifecycle emissions associated with the use of forest biomass for energy.

6. *Apply the commitments outlined above to all wood biomass imports, including under the FIT, in addition to other uses of wood biomass, such as coal co-firing and use in industrial boilers.*
7. *Apply the commitments outlined above to existing power generation plants as well as new or expanded power plants.*

We extend an invitation to meet virtually with the undersigned groups to discuss these concerns at your convenience. We also invite you to visit the communities and forests in North America affected by your policy. inquiry@mightyearth.org

Respectfully,

AbibiNsroma Foundation
Australian Forests and Climate Alliance
Climate Communications Coalition
Coastal Plain Conservation Group
Comité Schone Lucht
Conservation North
Dogwood Alliance
Earth Ethics, Inc.
Earth Thrive
EEECHO (Education, Economics, Environmental, and Health Organization)
Ei Polteta Tulevaisuutta
Environment East Gippsland Inc
EPN - North America
Friends of the Earth Japan
Friends of the Earth US
Global Energy Monitor
Green Global Future
GREEN SQUAD (Croatia)
health-and-forest.org
Independent Forest Monitoring Fund (IFM Fund)
John Muir Project
Leefmilieu
Link-AR Borneo
Mighty Earth
Natural Resources Defense Council (NRDC)
Nature Nova Scotia
Partnership for Policy Integrity
SFCC Google Group
Solutions for Our Climate (SFOC)
Southern Forest Conservation Coalition
Trend Asia
WALHI JAWA TIMUR/FoE Indonesia (East Java, Indonesia)
Wild Heritage