



July 1, 2022

Ms. Doreen M. Harris  
President and CEO  
New York State Energy Research and Development Authority  
17 Columbia Circle  
Albany, NY 12203-6399

Re: Comments on CLCPA Draft Scoping Plan

Dear Ms. Harris,

WestRock Company appreciates the opportunity to provide our perspective, recommendations, and comments on New York's Climate Action Council (CAC) Draft Scoping Plan, which was announced for public comment by the New York Climate Action Council on January 22, 2022.

WestRock is a global manufacturer and recycler of sustainable paper and packaging products with approximately 50,000 team members across more than 300 manufacturing facilities, design centers, research labs, and sales offices throughout the world. In New York, we employ approximately 900 people across 8 facilities in family-wage jobs. Our essential products are used to ship and package food, beverages, healthcare, pharmaceutical, personal hygiene care, disinfectant products, and other basic household supplies.

WestRock is concerned about the unknown impacts of the Climate Leadership and Community Protection Act (CLCPA) compliance on the overall cost and reliability of energy supplies in New York State. Those energy supplies must be affordable and reliable in order for WestRock's New York facilities to remain competitive in global markets. For the reasons set forth below, we are concerned that the Draft Plan does not adequately address several important energy cost and reliability issues, and those omissions should be addressed in the Final Plan.

With respect to cost impacts, the Draft Plan does not properly examine or reveal the anticipated cost of CLCPA compliance, nor does it address whether New York can afford to implement any of the recommendations advanced. Absent detailed information on the cost of implementing the recommendations individually and in the aggregate, analysis of the relative affordability of the Draft Plan, and the selection of the most cost-effective recommendations, are not possible. WestRock already is experiencing substantial energy price increases from increasing wholesale energy prices and increasing transmission and delivery costs being imposed by our local utility. Therefore, it is imperative that the Final Plan examine and reveal the anticipated cost of CLCPA compliance and measure it in the context of other factors already contributing to increased energy costs in the State; and choose the recommendations that provide the most cost-effective means of achieving the CLCPA goals and without severely impeding New York industries from remaining competitive.

Our business also needs reliable and affordable natural gas supply. Unfortunately, the Draft Plan lacks a comprehensive strategy for transitioning the State toward reduced reliance on natural gas. Careful analysis and planning are needed because any such transition must simultaneously ensure that existing gas customers will continue to receive reliable and affordable service; and customers that depend on natural gas for industrial and other processes for which no viable alternatives to gas exist will continue to receive reliable, affordable, and competitively priced gas service for the foreseeable future. Recognition and consideration should also be given to early movers who have made significant carbon reductions and adjusted those goals accordingly. For instance, WestRock's recycle mill in Solway, New York shifted from coal-based energy to best-in-class low emission natural gas boilers and continues to make improvements to increase carbon reductions. The CAC also needs to consider non-energy related greenhouse gas benefits of businesses and industries, where applicable. As a company WestRock is setting a new greenhouse gas emissions reduction target that is aligned with current climate science and in conjunction with the Science Based Targets initiative.

We do, however, appreciate that the plan recognizes that bioenergy produced from biomass residuals is carbon-beneficial but request a clarification that it includes the bioenergy produced by pulp and paper mills. Paper products manufacturers produce enormous amounts of carbon-beneficial bioenergy integral to making products that meet essential societal needs. This bioenergy is extracted from biomass residuals and biowastes that otherwise could be disposed of and emit greenhouse gases such as CO<sub>2</sub> and methane. This bioenergy displaces the need for fossil fuels and is consumed onsite or sold to the electricity grid. Accordingly, we request that the plan clarify the scope of biomass to expressly include the bioenergy produced by pulp and paper mills.

Additionally, despite prompting in the CLCPA, the Draft Scoping Plan fails to recommend a specific definition of energy intensive and trade exposed industries, nor does it advance specific recommendations as to how to minimize CLCPA compliance costs on such industries to prevent economic and emissions leakage. This major hole in the Plan means that New York State could be exporting thousands of jobs without having a material impact on regional, national, or global greenhouse gas emissions. Not all industries in New York have the ability to be one hundred percent electrified and electricity often cannot provide the same efficiency or needed result as other energy sources such as natural gas.

The Council needs to ensure that the electricity and natural gas that WestRock and other businesses need to maintain jobs in New York State will be affordable and reliable as the CLCPA is implemented. The Draft Plan does not adequately address the cost and reliability concerns raised above and, unless that is fixed, WestRock New York facilities could face significant challenges remaining competitive both internally and externally. Accordingly, WestRock implores the Council to address these flaws so that the Final Plan is more transparent and provides a roadmap for CLCPA compliance that is cost-effective, recognizes the heavy, and growing, burdens being imposed on energy consumers, and provides for reliable electricity and natural gas services.

Sincerely,

Jonathan Harding  
Regional Manager, State Government Relations  
WestRock Company