

Dear Senate Finance Committee-

I am writing to ask you to keep the alternate fuels credit in place until it expires. I work in the paper industry and we use almost 70% renewable Biomass fuels in running our mills and we receive no credits like other biomass producers do:

Here's why:

- Lignin is the glue that binds wood fibers together. This glue becomes a residual after wood is subjected to the pulping process. It is a pure form of renewable energy that is coveted by our operations for its high BTU content. It is wood lignin that makes black liquor such a rich source of energy.
- The pulp and paper industry far outpaces every other industry in production and use of renewable power. However, until now we have largely been unable to take advantage of incentives for renewable power. Currently, restrictions exist in the Section 45 renewable electricity tax credit which disqualify renewable biomass power that is generated and consumed on site—a practice we employ here at Domtar. Meanwhile, those that compete with us for wood fiber, such as independent power producers and facilities that make cellulosic transportation fuels, benefit fully from Section 45 and other production tax incentives.

Thank you

Kevin O'Brien