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Pellet Fuels Institute™

Residential/Commercial Densified Fuel Standards Program Regulations

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1 PROGRAM OVERVIEW

The goals of the *PFI Residential/Commercial Densified Fuels Standards Program* (hereafter **PFI Standards Program**) are to assure the supply of residential/commercial densified fuel that meets specific grade requirements and is manufactured from acceptable materials for use in residential/commercial densified fuel combustion appliances. To assure these goals are met, this product certification scheme includes the setting of specifications for various grades of densified fuel pellets, the evaluation of raw materials to assure only appropriate materials are used, it sets minimum requirements for quality management and finished product quality verification, it establishes a third-party oversight structure based on ISO 17065 product certification, and it provides requirements for the labeling of compliant product with a **Quality Mark**. The provisions of the PFI Standards Program are conveyed through three program documents.

This document, the *PFI Residential/Commercial Densified Fuel Standards Program Regulations* (hereafter **PFI Standards Program Regulations**) defines the overall structure of the PFI Standards Program as an ISO 17065 compliant product certification scheme. It establishes the Pellet Fuels Institute (**PFI**) as the scheme owner and outlines the roles and minimum requirements for **Certification Bodies**, **Inspection Bodies**, and **Testing Laboratories**. It provides requirements for the labeling of compliant product and covers administrative components such as complaint procedures and program review.

Densified fuel grades and grade requirements are defined within the *PFI Standard Specifications for Residential/Commercial Densified Fuel* (hereafter **PFI Standard Specifications**). It defines the methods required for testing the finished product to verify conformance with grade requirements. It also establishes fundamental rules and/or practices of the PFI Standards Program.

The minimum requirements for the quality management system maintained by certified production facilities are provided in the *PFI Residential/Commercial Densified Fuel QA/QC Handbook* (hereafter **PFI QA/QC Handbook**). It also establishes the third-party inspection and testing requirements.

Fees paid to PFI for participation in the PFI Standards Program as a Certification Body, Inspection Body, Testing Laboratory, or Certified Fuel Producer are outlined in *PFI Residential/Commercial Densified Fuel Standards Program Fee Structure* (hereafter **PFI Standards Program Fee Structure**).

2 PROGRAM DOCUMENTS

*PFI Residential/Commercial Densified Fuel Standards Program Regulations
(Also referred to as PFI Standards Program Regulations)*

*PFI Standard Specifications for Residential/Commercial Densified Fuel
(Also referred to as PFI Standard Specifications)*

*PFI Residential/Commercial Densified Fuel QA/QC Handbook
(Also referred to as PFI QA/QC Handbook)*

*PFI Residential/Commercial Densified Fuel Standards Program Fee Structure
(Also referred to as PFI Standards Program Fee Structure)*

3 ASSIGNMENT OF RESPONSIBILITIES

3.1 Certification Scheme Owner

The **Pellet Fuels Institute (PFI)** shall be deemed the owner of the PFI Standards Program quality certification scheme. PFI shall manage/maintain the program documents and shall approve Certification Bodies, Inspection Bodies, and Testing Laboratories as they demonstrate conformance to the minimum requirements for each of these roles. PFI reserves the right to approve as many Certification Bodies, Inspection Bodies, and Testing Laboratories as deemed necessary by PFI.

PFI shall establish and trademark a **Quality Mark** for labeling compliant product manufactured within the confines of the program. PFI shall enter into a licensing agreement with each Certification Body approved to certify individual production facilities and authorize the Certification Body to sub-license the Quality Mark to certified production facilities.

PFI shall establish a web-based registry identifying all approved Certification Bodies, Inspection Bodies, and Testing Laboratories, as well as certified production facilities.

PFI shall promote the Quality Mark and the overall PFI Standards Program. Additionally, PFI shall defend the Quality Mark and the PFI Standards Program from fraud and/or other forms of misuse.

PFI shall charge fees to program participants for participation within the PFI Standards Program to allow for the funding of activities associated with scheme management, promotion, and defense.

3.2 Certification Bodies

The role of the Certification Body is to assess the conformance of densified fuel manufacturers to determine if their product(s) and overall process adheres to the rules/requirements of the PFI Standards Program. Certification Bodies enlist the assistance of Inspection Bodies to gather information about the production location through on-site inspections. Certification Bodies also enlist the assistance of Testing Laboratories to perform analysis of the manufactured product(s). Once gathered the Certification Body will review all information and make a conformance determination. If the production site is found to be in conformance with the PFI Standards Program then it is the responsibility of the Certification Body to “Certify” the production location by issuing a “**Certificate of Conformance**” as well as a **Licensing Agreement**, which authorizes the certified production location to use the PFI Quality Mark.

It is the responsibility of the Certification Body to monitor all certified production sites through routine inspections and testing as outlined in the PFI QA/QC Handbook. If a production site falls out of conformance with the PFI Standards Program requirements, then it is the responsibility of the Certification Body to suspend or revoke the Certificate of Conformance and Licensing Agreement as appropriate.

It is the responsibility of the Certification Body to assure that the PFI Quality Mark(s) is applied appropriately by production sites certified by the Certification Body.

It is the responsibility of the Certification Body to report all newly certified production facilities to PFI as soon as possible for inclusion on the PFI website. It is also the responsibility of the Certification Body to report all withdrawals, suspensions and/or revocations to PFI as soon as possible.

In order to become approved by PFI as a Certification Body for the PFI Standards Program, the Certification Body must be accredited to ISO/IEC 17065 to include reference to the PFI Standards Program within the Certification Body’s ISO/IEC 17065 scope of accreditation. Additionally, the Certification Body’s accreditor must operate in accordance with ISO/IEC 17011 and offer accreditation services in accordance with ISO/IEC 17065 and the PFI Standards Program. In addition to accreditation requirements, the Certification Body must also enter into a Licensing Agreement with PFI outlining the rules associated with the PFI Quality Mark as well as the Certification Body’s responsibility to

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issue, monitor and if needed revoke the Quality Mark as it pertains to densified fuel manufacturers working with the Certification Body.

It is the responsibility of the Certification Body to establish its own Service Contract and fee structure for providing service to production facilities that wish to achieve and subsequently maintain certification. This includes the services of any Inspection Bodies, and/or Testing Laboratories they wish to enlist as part of their services. Certification Bodies may only enlist the services of PFI approved Inspection Bodies and Testing Laboratories.

Certification Bodies are responsible for paying fees to PFI as outlined in the PFI Standards Program Fee Structure.

3.3 Inspection Bodies

The role of the Inspection Body is to conduct inspections as defined within the PFI QA/QC Handbook and as implemented by the contracted Certification Body. Inspection Bodies can be part of the Certification Body or contracted as an independent company. In either case the Inspection Body must be approved by PFI.

In order to become approved by PFI as an Inspection Body for the PFI Standards Program, the Inspection Body must be accredited to ISO/IEC 17020 to include reference to the PFI Standards Program within the Inspection Body's ISO/IEC 17020 scope of accreditation.

It is the responsibility of the Inspection Body to conduct inspections as per the established schedule and to assure samples collected are forwarded to the approved Testing Laboratory for analysis. The Inspection Body may need to witness sample preparation and apply a seal to the sample bag if not sealed by the packaging system.

When deficiencies are found during inspections it is the Inspection Body's responsibility to document the deficiencies within the inspection report and to communicate them to facility staff and the Certification Body.

Inspection Bodies are responsible for paying fees to PFI as outlined in the PFI Standards Program Fee Structure.

3.4 Testing Laboratories

The role of the Testing Laboratory is to analyze samples collected by the Inspection Body in accordance with the PFI Standard Specifications. Testing Laboratories can be part of

the Certification Body or contracted as an independent company. In either case the Testing Laboratory must be approved by PFI.

In order to become approved by PFI the Testing Laboratory must be accredited to ISO/IEC 17025 to include reference to the PFI Standards Program within the Testing Laboratory's ISO/IEC 17025 scope of accreditation. Densified fuel production facilities may also contract with Testing Laboratories for independent testing purposes.

It is the responsibility of the Testing Laboratory to provide a test report directly to the Certification Body for each inspection sample received. Other entities, such as the Inspection Body and/or production facility staff may be included in the distribution of the report as agreed to by the parties. On an annual basis (minimum) the Testing Laboratory is to provide a summary of all testing conducted over the course of the year to the Certification Body and the Certified Production Facility.

Testing Laboratories are responsible for paying fees to PFI as outlined in the PFI Standards Program Fee Structure.

3.5 Certified Production Facilities

Certified production facilities are densified fuel production facilities that have successfully implemented the PFI Standards Program and have received a Certificate of Conformance, a Licensing Agreement, and the PFI Quality Mark from their Certification Body. Once certified it is the responsibility of the certified production facility to maintain compliance with all provisions contained within the PFI Standards Program and to only apply the Quality Mark to product that conforms to its respective grade criteria.

Certified Production Facilities are responsible for paying fees to PFI as outlined in the PFI Standards Program Fee Structure.

4 PFI APPROVAL OF CERTIFICATION BODIES, INSPECTION BODIES AND TESTING LABORATORIES

All Certification Bodies, Inspection Bodies, and Testing Laboratories that wish to provide service as part of the PFI Standards Program shall be approved by PFI. Approval procedures are as follows.

4.1 PFI Approval of Certification Bodies

Certification Bodies wishing to seek approval to provide services as part of the PFI Standards Program shall complete PFI's Certification Body application and submit it to PFI for review. As part of the review process the following criteria shall be met for PFI to grant approval:

- The Certification Body must be able to prove that it is a legitimate business entity (e.g., can provide a business license or other document demonstrating business status).
- The Certification Body must be accredited to ISO/IEC 17065 to include reference to the PFI Standards Program within the Certification Body's ISO/IEC 17065 scope of accreditation.
- The Certification Body's accreditor must operate in accordance with ISO/IEC 17011 and offer accreditation services in accordance with ISO/IEC 17065 and the PFI Standards Program.
- The Certification body must pay fees to PFI as outlined by PFI's Fee Structure.

PFI shall review the Certification Body's application along with all documentation submitted with the application. Upon completion of the review PFI at its sole discretion shall make a decision whether to approve or deny the application.

If the Certification Body's application is approved, the Certification Body shall be asked to enter into a licensing agreement with PFI to operate as a Certification Body for the PFI Standards Program. The licensing agreement shall provide authority to the Certification Body to certify densified fuel production facilities by issuing Certificates of Conformance as well as to sub-license the PFI Quality Mark. Additionally, the Certification Body shall be listed on the PFI website indicating its status as a "PFI Approved Certification Body".

4.2 PFI Approval of Inspection Bodies

Inspection Bodies wishing to seek approval to provide services as part of the PFI Standards Program shall complete PFI's Inspection Body application and submit it to PFI for review. As part of the review process the following criteria shall be met for PFI to grant approval:

- The Inspection Body must be able to prove that it is a legitimate business entity (e.g., can provide a business license or other document demonstrating business status).
- The Inspection Body must be accredited to ISO/IEC 17020 to include reference to the PFI Standards Program within the Inspection Body's ISO/IEC 17020 scope of accreditation.
- The Certification body must pay fees to PFI as outlined by PFI's Fee Structure.

PFI shall review the Inspection Body's application along with all documentation submitted with the application. Upon completion of the review PFI at its sole discretion shall make a decision whether to approve or deny the application.

If the Inspection Body's application is approved, the Inspection Body shall be listed on the PFI website as a "PFI Approved Inspection Body".

4.3 PFI Approval of Testing Laboratories

Testing Laboratories wishing to seek approval to provide services as part of the PFI Standards Program shall complete PFI's Testing Laboratory application and submit it to PFI for review. As part of the review process the following criteria shall be met for PFI to grant approval:

- The Testing Laboratory must be able to prove that it is a legitimate business entity (e.g., can provide a business license or other document demonstrating business status).
- The Testing Laboratory must be accredited to ISO/IEC 17025 to include reference to the PFI Standards Program within the Inspection Body's ISO/IEC 17025 scope of accreditation.
- The Testing Laboratory must pay fees to PFI as outlined by PFI's Fee Structure.

PFI shall review the Testing Laboratory's application along with all documentation submitted with the application. Upon completion of the review, PFI at its sole discretion shall decide whether to approve or deny the application.

If the Testing Laboratory's application is approved, the Testing Laboratory shall be listed on the PFI website as a "PFI Approved Testing Laboratory".

5 PFI STANDARDS PROGRAM REPORTING REQUIREMENTS

On an annual basis all Certification Bodies, Inspection Bodies, and Testing Laboratories shall provide to PFI updated copies of their ISO accreditation certificates as well as the associated Scope of Accreditation. Additionally, all Certification Bodies, Inspection Bodies, and Testing Laboratories shall notify PFI immediately if they lose the primary accreditation for which they have been approved as well as any significant changes in structure (e.g. company name changes, key personnel managing programs) or services offered as captured by their original application.

6 TERMINATION OF APPROVED CERTIFICATION BODIES, INSPECTION BODIES, AND TESTING LABORATORIES

If situations dictate that a previously approved Certification Body, Inspection Body, and/or Testing Laboratory needs to be discontinued by either party then a minimum notice of 90 days shall be provided. Shorter periods can be established per mutual agreement by the parties. It is expected, however that all parties honor service commitments provided within Certification, Inspection, and/or Testing contracts provided to Certified Production Facilities to minimize any disruption of the facilities certified status.

7 PRODUCT LABELING

7.1 PFI Quality Mark

When a densified fuel production facility demonstrates they have met all requirements of the PFI Standards Program and becomes “Certified”, the facility is awarded the right to use a PFI Quality Mark to label conforming product(s) as well as for advertising purposes. An example of the “Premium” grade Quality Mark is displayed below. There are separate quality marks for “Standard” grade and for “Utility” grade.



The PFI Quality Mark shall only be used in conjunction with product(s) that conforms to its respective grade. The PFI Quality Mark shall be displayed on product packaging as described in the “Rules of the Mark” as outlined in Annex A.1 of this document.

Densified fuel production facilities that are not “Certified” in accordance with the PFI Standards Program are not authorized to use the PFI Quality Mark.

7.2 Registration Numbers

Each densified fuel production facility that certifies under the PFI Standards Program is issued a unique registration number to use when identifying product produced at their facility. Registration numbers are issued by the Certification Body at the time of certification. Companies with multiple certified production facilities may enter into written agreements with their Certification Body to allow for bag sharing between facilities provided there is a defined means for determining which Certified Production Facility supplied the product.

The production facility registration number (or other registration number as determined under written agreement with the Certification Body) shall be printed on the bag either as part of the fixed bag graphics or by using an ink printer at the time of packaging. Registration numbers shall be legible.

7.3 Date Stamping

Bags shall be date stamped and/or numbered by the bagging system to assure that the production date and location can be identified. Date stamps can incorporate direct date information or coded information as desired, however the system of date stamping shall be defined as part of the agreement with the Certification Body. Date stamps shall be legible. If situations arise where the date stamping system becomes illegible it shall be reported to the Certification Body and measures taken to allow for date and production location traceability. Date stamping issues shall be resolved on a high priority/expedited basis.

7.4 Other Quality Claims Made on Product Packaging

If Certified Production Facilities print quality claims related to Table 1 of the PFI Standard Specifications on product packaging that also bear a PFI Quality Mark, then the quality claims provided shall be reasonably supported by trended data. Product claims about parameters not included in the PFI Standards Program fall outside the scope of the program.

8 OBJECTION PROCEDURES

If any party (Certification Bodies, Inspection Bodies, Testing Laboratories, or Certified Production Facilities) operating within the PFI Standards Program wishes to present a grievance with the program then a formal objection can be submitted to the PFI Standards Committee. If review by the PFI Standards Committee introduces significant conflict of interest or confidentiality challenges, an appeal may be made for an ad-hoc review committee. The committee shall be comprised of five people including four members of the PFI in good standing and the executive director. The appealing party will select two representatives and the executive director will select the other two representatives. If necessary, a vote within the ad hoc committee will be made on the matter with the executive director casting any required tie-breaking vote.

9 REPORTING FRAUD AND/OR PROGRAM MISUSE

When a Certification Bodies, Inspection Bodies, Testing Laboratories, Certified Production Facilities, consumers, retailers, appliance manufacturers, industry suppliers, or any other industry interest identifies fraud or misuse of the PFI Standards Program and/or the PFI Quality Mark, immediately contact PFI to report the fraud/misuse. Examples of fraud and/or misuse may include:

- Use of the PFI Quality Mark by non-certified production facilities
- Use of similar markings designed to imitate the PFI Quality Mark
- Continued use of the PFI Quality Mark after suspension or revocation
- Displaying a PFI Quality Mark with an incorrect grade or unreasonable quality claim
- Claims of certification when certification has not in fact been achieved.

PFI shall pursue fraud and/other forms of misuse of the PFI Standards Program. Please report all instances of fraud and/or misuse by call the PFI Corporate office or via email as follows:

office@pelletheat.org

206-209-5277

10 PROGRAM MAINTENANCE

The PFI will review and update the PFI Standards Program as necessary to assure that it continues to reflect the needs of the residential/commercial densified fuel industry.

Anyone seeking a change to the PFI Standards Program must submit a proposal to PFI in writing. All proposals must be on company letterhead with complete contact information and signature of the person submitting the request. Each proposal must clearly indicate the desired change, the reason for the change, and any relevant supporting information.

All proposals received by PFI shall be submitted to the PFI Standards Committee for review. The Standards Committee shall evaluate the proposal to assess whether it is reasonable/warranted and investigate as necessary to understand the overall program

implications. As part of the assessment, if the proposal has significant impact on program participants and/or regulatory compliance then the Standards Committee may reach out to the applicable stakeholders to solicit feedback. All feedback shall be requested in writing.

Upon completion of the evaluation the Standards Committee shall submit any suggested revisions to the PFI Board of Directors for review and vote as applicable. The submitted findings shall include the original proposal, all stakeholders' written responses, and a written statement from the Standards Committee summarizing interpretations, likely impacts, and recommended courses of action. Board members will have 30 days to review the proposal and all findings. Each board member in good standing receives one vote. Proposed changes receiving a simple majority of votes in favor of the change will be forwarded to the Standards Committee to implement the change.

Annex A.1

Rules of the Mark

1. The PFI Quality Mark shall be 3 inches wide x 2 inches tall with a maximum allowable variance of +/- 10% and shall be printed on the front/forward facing side of each bag.
2. The PFI Quality Mark must be printed as provided by the auditing agency (no structural modifications are allowed).
3. All positive elements of the PFI Quality Mark must be printed in the same color. The following color varieties are considered acceptable:



PFI green (PMS: green 349c)

Black



Other color consistent with the bag colors

4. For bulk shipments, it is intended that the Quality Mark and facility registration number be provided with commercial documentation. The size of the quality mark does not need to be 3 inches x 2 inches, however care should be taken to properly represent the quantity of densified fuel that the Quality Mark applies to and should not inadvertently appear to represent other non-qualified materials.