



Government Affairs Update

PFI Annual Conference

Ponte Vedra Beach, Florida

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Government Affairs



Legislative Priorities

- Tax Credit for Appliances
- Production Tax Credit (PTC)
- Fueling Switching for Concentrated Animal Feeding Operation (CAFO)





PFI Government Affairs Committee

Bruce Lisle, Chair

Scott Jacobs

Charlie Niebling

Bob Sourek

Dan Henry

Derek Nelson

Corey Glenn

John Weaver

Davis Lee

Mark Mathis

Rob Davis

George Soffron


Steve Tate

T.J. Morice





What PFI Has Done

- Fly-in
 - Retain Lobbying firm
 - Met with over 70 Congressional offices
 - Met with over 15 Congressional Committees and Caucuses
 - Met with Administration Officials
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Holland & Knight

- Retained Contract Lobbyist
- What they do
- Former U.S. Senator Ben Nighthorse Campbell
- Dave Devendorf





Legislation

- 30% Tax Credit for 75% Efficient Stoves
 - IRS Guidance has been issued
 - Still unclear on what it covers
 - Issues we need to address
 - Extender's Legislative Package

The background of the slide is a close-up photograph of numerous light-brown wood pellets, which are cylindrical in shape and densely packed. The pellets are the primary visual element, framing the central text.

S. 1094 – the Renewable Energy Alternative Production Act (REAP Act)

- Senator Ron Wyden (D-OR)
- This legislation would amend the Internal Revenue Code of 1986 to provide for an energy carrier production tax credit.
- PTC for pellet manufacturing.
- Letter writing campaign.
- We need your help!



H.R. 2080, the American Renewable Biomass Heating Act

- U.S. Representative Paul Hodes (D-NH).
- This legislation amends the Internal Revenue Code to: (1) extend through 2013 the tax credit for non-business energy property; (2) expand the definition of energy-efficient building property for purposes of such credit to include boilers and furnaces; and (3) increase the limit on such credit in 2009 and 2010 from \$1,500 to \$6,000.



Congressional Testimony

- Congressional Testimony
 - Mark Mathis, Confluence Energy
 - Committee on Natural Resources
 - Access to feedstock
 - Down, Dead, Dying, and Diseased.





Climate Change Legislation

Outlook

- House
- Senate
- Conference Committee





Climate Change Legislation

- What is in the legislation?
 - Definition of Biomass
 - Changeouts
 - Best In Class






Climate Change Legislation

- What is PFI's position on?
 - Cap & Trade
 - Biomass
 - Government Affairs Committee





Renewable Electricity Standard

- Basics
 - Energy Efficiency
 - Thermal
 - Utility Assistance
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ARRA Funding

- 1st round of funding
- Examples
 - Dry Kiln
 - Grinder
 - \$\$\$
- How it “seems” to work





Fuel Switching

- Penn State Study
 - CAFO (GAC Priority)
 - Commercial/Industrial
 - Legislation
 - Tax Credits
 - Appropriations
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Access to Feedstock

- BCAP
- Down, Dead, Dying, and Diseased
- Stewardship Contracts
- Limitations





Potential Loan Programs

- Rep. Shea-Porter's Amendment
 - Zero or low interest loans for the converting of fossil fuel home heating systems to renewable energy
- Revolving Loan Funds





Community Wood Energy Program

- Authorizes a grant program for state and local governments and communities to use woody biomass in community wood energy systems such as schools, town halls, and courthouses.
- PFI supports fully funding this program.



Things to Watch






Efficiency Amendments

- Senator Jeanne Shaheen (D-NH) Amendment on biomass.
- Original intent was to set minimum efficiency limit for utilities that co-fired with biomass to 50%.
- Turned into an escalator incentive which awards utilities a greater incentive for higher efficiency co-firing with biomass.
- Feedstock
- Concerns by other renewable energies.




New Source Performance Standards

- EPA is opening up NSPS
 - Residential applications
 - Pellet standards
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Proposed Small Boiler Rule

- EPA's rulemaking initiative to set MACT and GACT for area source wood-burning boilers and heaters.
 - Mercury regulation
 - Baghouses
 - Retain Counsel
 - Next steps
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Pellet Standards in Legislation

- States
 - Washington
 - Colorado
 - Maine
 - NESCAUM
 - NYSERDA
 - Congressional Interest
 - Stove Manufacturers
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Fuels for Schools

- Sets pilot projects to demonstrate new uses of small diameter and underutilized woody material, as well as projects using proven technologies to use such material.
- The intent was to develop new markets for woody material that has historically been considered waste so that the substantial cost of thinning hazardous fuels, which generates little in the way of what is traditionally considered “commercial” timber, could be partially offset by the economic value of “non-commercial” biomass.



State Legislation

- Oregon, West Virginia, Idaho, Virginia.
 - \$10 per ton of pellets.
 - \$300 tax credit for the purchase of stoves.
 - State production tax credits.
 - Exemption from sales/use taxes.
 - RES/RPS funds.
 - Grassroots
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How do we do all of
this?


Grassroots!






Coalition Building

- A collective of groups working together for a common purpose/goal.
 - Establishes a vast network of supporters; enables PFI to better advocate.
 - Strengthens and broadens our industry and persuades others to support PFI policies.
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Plant and Facility Tours

- Visits by elected officials and candidates to your company's facilities are an effective way for grassroots participants to build relationships.
 - Plant tours on plant processes relate to legislative issues.
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Plant and Facility Tours

- Tours showcase your facility's environmental, health, and safety standards.
- A plant tour is an appropriate and useful way to educate elected officials and help increase the comfort level of grassroots participants.





Plant and Facility Tours

- Invite local media.
- Send out press advisory and release.
- Take pictures, pictures and more pictures!





Office Visits and Correspondence

- **Talk to your elected officials** – Contact all elected officials (and their staff) who represent districts in which you have operations, telling them about the issues important to you and the industry. Contact them by phone, stop by their district offices, or attend one of their town hall meetings.






Office Visits and Correspondence

- **BE PREPARED** – Constituents who come to town hall meetings with thoughtful arguments, good data, and persuasive stories always get remembered.
- **Tell a personal story** – These meetings offer a tremendous opportunity for you to personally voice the issues important to you and your industry.




Office Visits and Correspondence

- **Use numbers if you have them** – Use numbers by mentioning things like, “I have 50 employees” or “There are 500 people in my community affected by this bill.”
 - **Be Respectful** – If you don’t understand this, it’s time to leave the room now.
 - **Talk to staff** – Every Member brings staff to town hall meetings. Tell them your story before the meeting (also ask a public question during the meeting) and get their business cards.
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Office Visits and Correspondence


- **Leave something behind** – Any documents passed to state-based staff will likely be faxed to the legislative assistant in Washington who covers your issue.
 - **Use your letterhead** – It pays to advertise.
 - **Follow up** – Politely persistent people persuade politicians. Congressional offices are often overworked, so an elected official often responds to an individual who just follows up with a phone call a few weeks after attending a meeting.
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Office Visits and Correspondence






Letters to the Editor

- Easy and effective way to thank those who support PFI issues (such as elected officials and the candidates who want to become elected officials).
 - Good media is coveted by politicians.
 - Letters establish a good rapport.
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Letters to the Editor

- Elected officials often monitor the op-ed section of newspapers; op-eds can impact the positions they take on issues.
 - Letters to the editor are widely read, reach a large audience, and can educate people in your community about PFI issues.
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What PFI brings to the industry

- Second to none government affairs program
- Holland & Knight as a contract lobbying firm
- Regulatory relations
- Grassroots
- Secured contacts and champions on the Hill



Thank You

Questions?