

PFI – State Legislative Incentives/Assistance Programs

Below is a mix of incentives/assistance that any State Senators/Representatives could introduce or advocate for which will help the pellet industry.

The first incentive/assistance program listed is for a state production tax credit for pellets. Below is the website for the Missouri production tax credit for pellets which is currently in effect. The main document is the Analysis of Wood Energy Tax Credit Program audit report. Granted, they think it cost a bit more than they thought it would, but the benefits outweigh those costs. Also, if they limit it to just pellet production the costs can be kept in check.

<http://www.auditor.mo.gov/press/2007-58.pdf>

Next, below is the website for a state bill introduced in West Virginia for a one-time \$500 tax credit on a pellet stove and a yearly \$250 tax credit for pellets. This did not make it through the legislative session in West Virginia, but it is a good example of what can be introduced in a state.

http://www.legis.state.wv.us/Bill_Status/bills_text.cfm?billdoc=hb4534%20intr.htm&yr=2008&sesstype=RS&i=4534

In Oregon, they passed a \$300 tax credit for the purchase of a pellet stove and a \$10 tax credit per ton of pellets purchased. This is smaller than the West Virginia bill, but this one actually passed the legislature and was signed into law. Again, this is a good example of what can be done in a state because it has already been enacted in another state.

<http://www.oregon.gov/ENERGY/CONS/RES/tax/HVAC-Biomass.shtml>

New Hampshire has a couple of good programs for pellets. The first is a rebate payment of 30% of the system and installation cost, or \$6,000, whichever is less, for investments in residential high-efficiency (85% or greater), bulk-fuel fed indoor wood-pellet central heating boilers and furnaces. Below is the application and contact information for the person in charge of the program.

<http://www.puc.state.nh.us/Sustainable%20Energy/Forms/Step%201%20pellet%20rebate%20application%20final%2007-12-10.pdf>

New Hampshire also has a provision in their Electric Renewable Portfolio Standard to use revenues from the Renewable Energy Fund derived from alternative compliance

payments for thermal renewable energy projects. Basically, many state RPS programs have established a fund for non-compliance fines that certain utilities can pay instead of abiding by the RPS. These funds can be used in any fashion the state sees fit, including thermal energy projects. Attached is the Final NH RPS Rules and the NH Statute for review. Any state could do the same.

Additionally, State Senators/Representatives could help encourage utilities to co-fire with pellets. Many states are looking at passing state renewable portfolio standards/renewable electricity standards and they can highlight the benefits of pellets.

Lastly, all states have countless facilities (buildings) throughout the state that they can convert the heating systems to renewable biomass. Even though state budgets are tight now, many times money for this is acceptable. It is worth inquiring about. This could lead to some bulk shipments of pellets.