



September 27, 2023

State of New Hampshire
Department of Energy
21 Fruit St. Suite 10
Concord, NH 03301-2420

Re: REF Public Comments

Dear Ms. Carmody,

Thank you for the chance to deliver testimony on the NH wood pellet heating rebate program as it relates to climate change, a source of great concern for all of us. We're grateful for the Department of Energy's support of this program over the years and have seen tremendous interest in alternative heat as a result of incentives such as this one. We feel strongly that the program is working well and should continue, and even grow.

As background, Maine Energy Systems is the premier manufacturer of modern wood pellet heating technologies for homes, businesses, municipal buildings, and schools across New Hampshire, broader New England, and North America. Our technology delivers greater than 85% efficient central heating solutions thereby dramatically reducing the carbon footprints of buildings switching from fossil fuels. These combustion systems are incredibly clean and efficient, particularly when compared with fossil and blended biofuel alternatives.

In our assessment, the program is operating effectively and as efficient as possible given the necessary steps that a homeowner or a business must take in order to qualify. We would like to mention that when the program was first created, the cost of heating system installations was much lower than it is now. The current rebate of 40% up to \$10,000 (with \$100 per ton adder for fuel storage), would be the equivalent of a cap of \$15,000 or even \$20,000 in some instances now for residential installations. We would suggest that DOE consider inflation and the increased costs of goods and services to reassess what homeowners and businesses are currently paying to switch to renewable heating systems.

There are two areas where the program can be improved to further the goal of incenting new development that otherwise wouldn't occur without this rebate program. The first, as mentioned above, would be to increase the cap of rebate funding to be competitive with today's costs. The second, and perhaps more important piece, would be to encourage promotion of the program so that residents in New Hampshire are aware of this option in a clear manner. Currently, the industry is promoting the program, but these marketing efforts would benefit greatly from promotion by the state or a third party.

With the goal of decarbonization first and foremost in mind, we would absolutely support the addition of adders to encourage the transition from particularly dirty heating fuels, such as coal or #2 heating oil. We would be interested in offering further comment if this is something that the Department of Energy is considering moving forward.



With regard to the commercial wood pellet rebate program, we have not seen a sharp decline in interest, but again defer to the impacts that promoting these programs have when both the industry and partners such as DOE are putting the information in front of those making heating and decarbonization decisions.

The hurdles we've seen businesses face in order to participate in this program are timing, cost of installation, in some cases voter participation, or they are simply unaware that this program exists despite our best efforts to promote both the residential and commercial rebate programs. We believe that more promotion of the program and specifically its effects on decarbonization would impact the number of installations.

Thank you for your review and consideration.

A handwritten signature in cursive script that reads "Les Otten".

Leslie B. Otten
Owner & Chief Executive Officer
Maine Energy Systems