



September 29, 2023

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

Re: REF Public Comments

Dear Ms. Carmody,

The New Hampshire Timberland Owners Association (NHTOA) appreciates the opportunity to comment on the Renewable Energy Fund. As New Hampshire's forestland owners and forest products industry trade/membership association we will be limiting our comments to wood pellets.

Unfortunately, due to the nature of New Hampshire's timber types and soils, and past land use history, two-thirds of our forests grow low-grade timber (timber that cannot become quality sawn lumber). Use of low-grade timber as a fuel in modern wood heating systems supports timberland owners trying to perform sustainable forestry (i.e., weeding and thinning woodlots) and the broader forest products industry (i.e., sawmills trying to manage wood waste – chipped slabs).

According to the U.S. Forest Service data, New Hampshire is the second most forested state in the country and we continue to grow significantly more timber than is harvested or is lost to natural mortality. Because of this, using wood pellets and chips as a fuel for residential and commercial heating is sustainable, renewable, and carbon neutral. Moreover, wood pellet and chip fuels are the only fuels indigenous to the state, which also supports the state's rural economies and keep fuel dollars circulating locally.

Interest in wood pellet heating systems ebbs and flows with the price of heating oil and propane (the region's primary fuels for heat). As fossil heating fuel prices drop interest in any alternative source of heat (including wood pellets) wanes. The NHTOA believes that falling oil prices because of the pandemic's reducing oil demand have temporarily slowed interest in wood pellet heating systems (especially commercial). As prices begin ticking back up, as we are currently seeing, we anticipate the interest in wood pellet heating systems will increase.

Two additional questions raised in the Department's comment solicitation we would like to speak to are:

- If the drop off in interest is non-pandemic related, what are the hurdles for businesses participating in this rebate program?

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There are two non-pandemic related hurdles we see in the wood pellet marketplace, a technical hurdle and subjective hurdle.

#### Technical

The technical hurdle is the cost and ability to meter thermal energy for participation in the New Hampshire Renewable Portfolio Law's thermal renewable energy certificate (T-REC) program. Currently, the cost of thermal metering systems makes participation in the T-REC program cost prohibitive for many small systems. Fortunately, with the passage of House Bill 233 this year, the N.H. Legislature cleared the path for the N.H. Department of Energy to consider alternative methods to verify energy generation for thermal RECs. We expect that a petition will be filed soon proposing less expensive alternative methodologies and we urge the Department to give them fair consideration.

#### Subjective

The subjective hurdle is a misconception shared by some that wood heat is dirty, non-renewable, unsustainable, and not carbon beneficial. This misconception comes from a lack of knowledge or understanding of modern wood heating systems, their efficiency, pollution controls, and the condition of the state's forest resource.

As I stated earlier in this letter, according to the U.S Forest Service inventory data, New Hampshire's forests continue to grow more timber than is harvested or lost to natural mortality. There is not a better or more accurate metric to measure sustainability, renewability, and net greenhouse gas benefit (wood is composed primarily of water and carbon) than this inventory data. Moreover, with the advances in regulating wood combustion, pollution control systems, and the high level of sophistication in today's modern wood heat system these boilers are both clean and efficient.

- Are there program design changes that could improve interest in the program and/or overcome those hurdles?

Currently, our only suggestion for changing this program is to increase the cap for the commercial and industrial rebates. Since the commercial wood pellet boiler rebate was first implemented in 2012, inflation has increased 32 percent. The maximum cap amount has failed to keep up with inflation and we are recommending the Department consider increasing it to \$80,000.

Again, thank you for the opportunity to provide comments.

Sincerely,



Jason A. Stock  
Executive Director

New Hampshire Timberland Owners Association