



18 N. MAIN STREET  
SUITE 204  
CONCORD, NH 03301

603-229-0679  
northernforest.org

September 27, 2023

Department of Energy  
21 S. Fruit St., Suite 10  
Concord, NH 03301

Thank you for the opportunity to submit comments on New Hampshire's Renewable Energy Fund. The Northern Forest Center is a regional non-profit that promotes forest-based economic and community development across northern New Hampshire, Maine, Vermont, and New York.

In 2011, the Center began promoting the use of modern wood heat through our Model Neighborhood Project which facilitated pellet boiler installations in communities, such as Berlin. Since 2020, we have worked to build consumer awareness and demand for modern wood heat as an alternative to fuel oil and propane through our [Feel Good Heat](#) education campaign.

In direct contrast to heating oil and electricity, modern wood heat provides people across New Hampshire with an effective, reliable heating option for their homes, businesses, and institutions. This renewable resource originates in our state, supports local economies and jobs at every level, and provides heating cost stability for homeowners, municipalities, business owners, schools, and more.

With oil prices again approaching \$100/barrel and New Hampshire electric costs on the rise, now is not the time to walk back state incentives for modern wood heat. Instead, it is an important moment to boost the ability of commercial-scale customers to take advantage of the cost savings and other benefits of renewable wood heat.

As you consider the efficacy of the state's wood pellet rebate programs, we believe that the Department of Energy should maintain its current program design for residential rebates and consider increasing its cap from \$65,000 to \$75,000 for commercial rebates.

Since the inception of the Renewable Energy Fund, the commercial rebate cap has remained the same despite the cumulative cost of inflation increasing system costs by 40%. This poses a huge barrier to the adoption and growth of the industry within New Hampshire. Rather than introduce a local government rebate program, we recommend that the Department of Energy increase the commercial rebate cap and make available information highlighting the benefits of modern wood heat.

Wood heat provides multiple benefits over fossil fuels and other heating sources:

**Local Economy.** Modern wood heat supports low-grade wood markets, adding value to every timber harvest, keeping money circulating locally, and providing jobs at all scales. The state's forest-products industry [generates nearly \\$1.4 billion in economic output and supports over 7,700 workers](#) each year. Moreover, about 78 cents for every dollar spent on wood fuels stays in the local economy.

**Cost Savings.** For customers looking to shift away from fossil fuels, modern wood heat is both [cost effective and stable](#). From January 2020 through December 2022, the cost of

wood pellets only increased 20% compared to 50% for natural gas, 65% for electricity, and 83% for oil. From month-to-month, the cost of wood pellets fluctuates less than all other heating sources, including electricity.

**Climate Benefits.** When accounting for all greenhouse gas emissions from sourcing, processing, and transporting, high-efficiency modern wood heat systems reduce emissions by [54% compared to oil and 59% to natural gas](#) upon installation, according to an independent, peer-reviewed analysis. Additionally, modern wood heat supports sustainable forestry that keeps New Hampshire forests as forests and free from emissions-producing development and land conversion.

Thank you for the opportunity to comment. Maintaining residential wood heat rebates and increasing the commercial rebate cap will pay dividends not only for businesses and organizations that use wood heat but for the local communities and economies that produce this renewable resource.

Sincerely,  
Joe Short | Vice President