

Policy Advances for Pellet Heating: State and Regional Progress



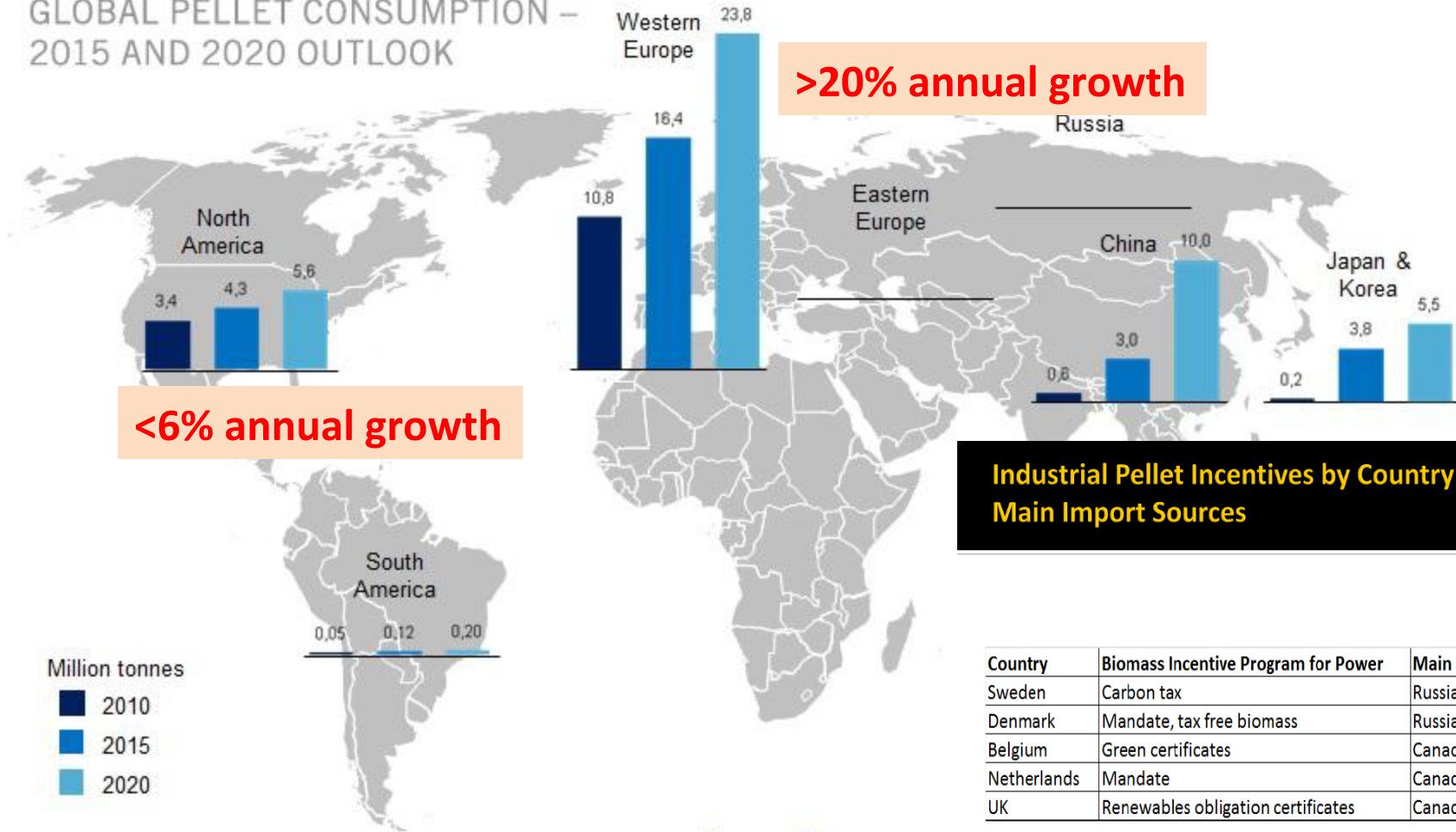
Charlie Niebling

Innovative Natural Resource Solutions LLC/
New England Wood Pellet LLC

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Don't Think Policy Makes a Difference?

GLOBAL PELLET CONSUMPTION – 2015 AND 2020 OUTLOOK



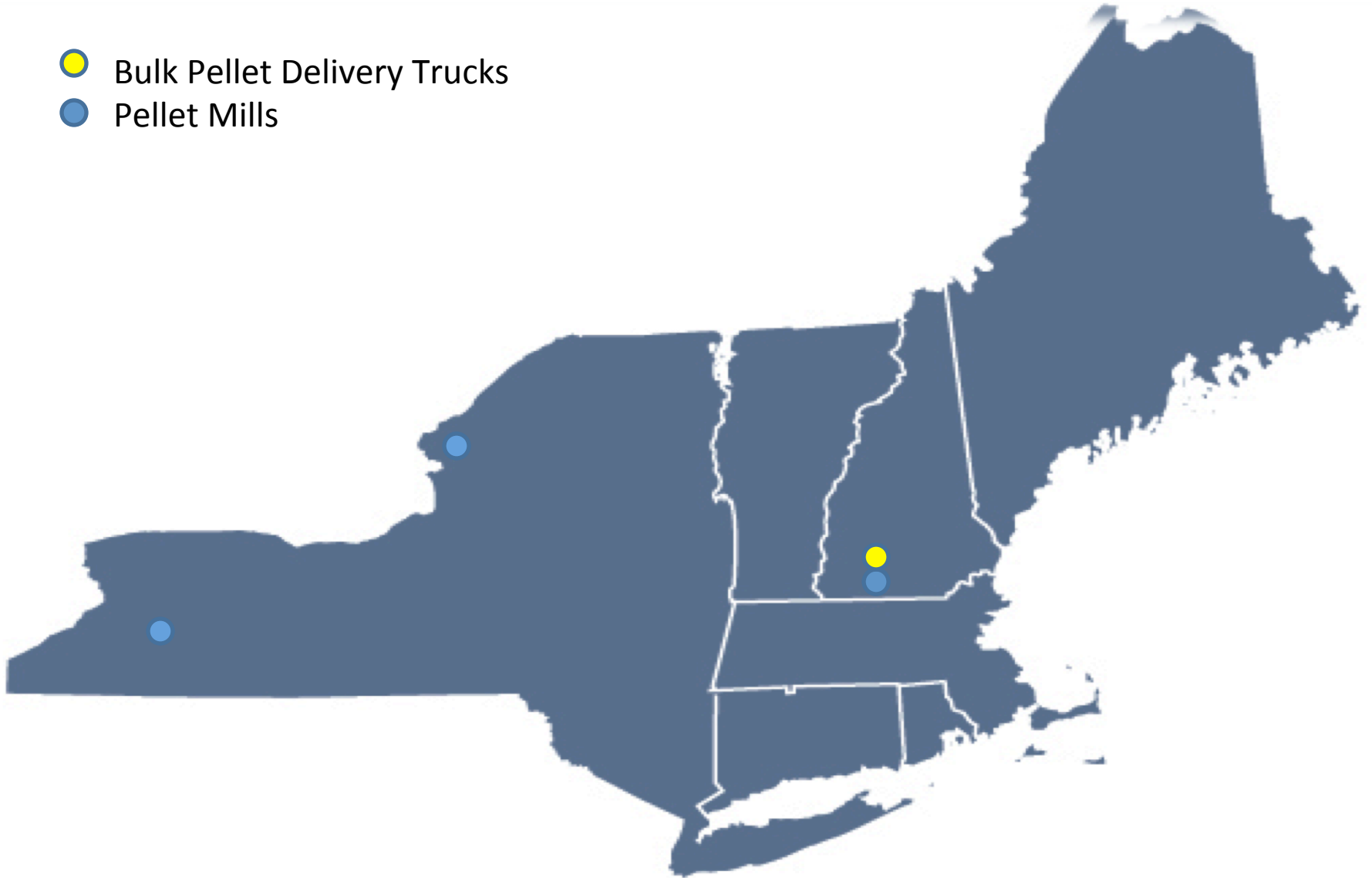
Industrial Pellet Incentives by Country and Main Import Sources

Country	Biomass Incentive Program for Power	Main Import Sources
Sweden	Carbon tax	Russia, Baltics, Finland
Denmark	Mandate, tax free biomass	Russia, Baltics, Finland
Belgium	Green certificates	Canada, US
Netherlands	Mandate	Canada, US
UK	Renewables obligation certificates	Canada, US

Source: PÖYRY

Pellet Supply/Distribution 2006







- Bulk Pellet Delivery Trucks
- Pellet Mills

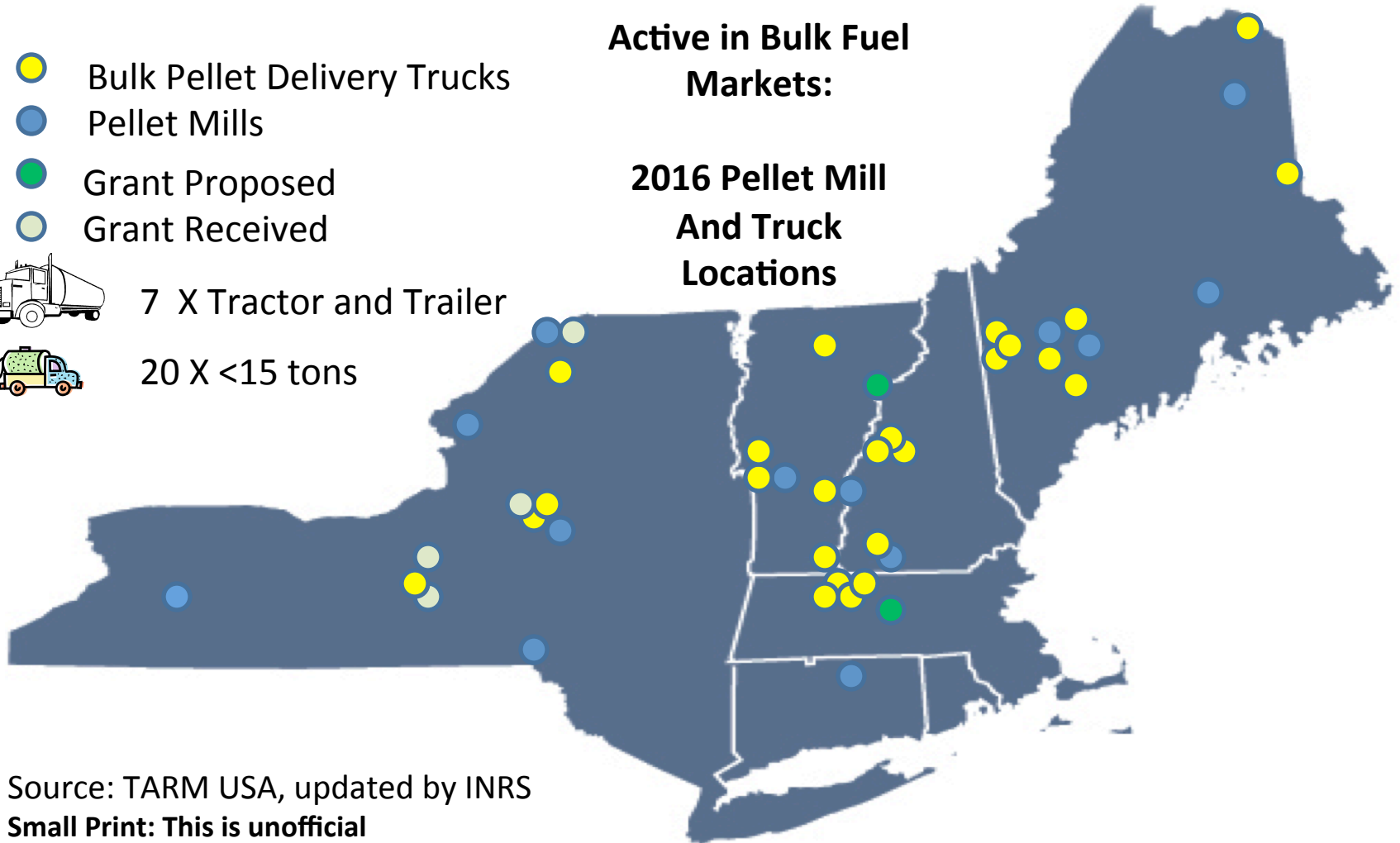


Pellet Supply/Distribution 2016

Active in Bulk Fuel
Markets:

2016 Pellet Mill
And Truck
Locations

-  Bulk Pellet Delivery Trucks
 -  Pellet Mills
 -  Grant Proposed
 -  Grant Received
-  7 X Tractor and Trailer
-  20 X <15 tons



Source: TARM USA, updated by INRS
Small Print: This is unofficial

What's Driving Interest in Pellet Manufacturing/Heating, and Policymaker Attention?

- ~~High energy costs~~
- ~~Fossil energy price volatility, e.g. propane, natural gas~~
- “Local” movement – e.g. food, why not fuel?
- Policy attention on rural America, income gap
- Increased understanding of vital necessity of good markets for low grade wood, viable forest ownership
- Reducing fuel loads in regions of high forest fire risk
- GHG emission reduction strategies – could cut both ways
- E-NGO attention on export pellet growth (generating scrutiny on domestic pellet manufacturing)

Some Examples

- **Biomass thermal in state energy plans** – MA, NH, NY, VT
- **Biomass thermal in state RPS programs** – NH, MA, OR; RI, NY considering
- **State grant programs** – NH, MA, ME, VT, NY, PA
- **Rebates for pellet appliances** – NH, ME, MA, VT, NY, MD
- **Tax credits** – OR, WV
- **Leverage of private capital** – USEFC “T-RECs Enterprise Fund”

Oregon Woodsmoke Working Group

- Legislation mandating statewide strategy to reduce wood smoke pollution
- Changeout programs: shift to pellet heating, education/outreach
- State building code: mandate upgrade of wood heat system if renovating
- “Bounty program”



Massachusetts Thermal APS Rulemaking

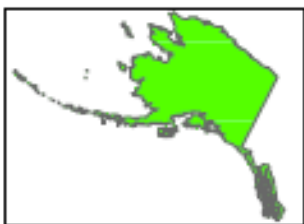
- Push by anti-pellet and chip heating E-NGOs to make regulations so onerous no one can qualify
- Same groups that stopped biomass electric generation in MA in 2011 (Manomet Study)
- Particulate emissions, GHG emission reductions, sustainability of feedstocks
- Stay tuned – implications to modern wood heating everywhere



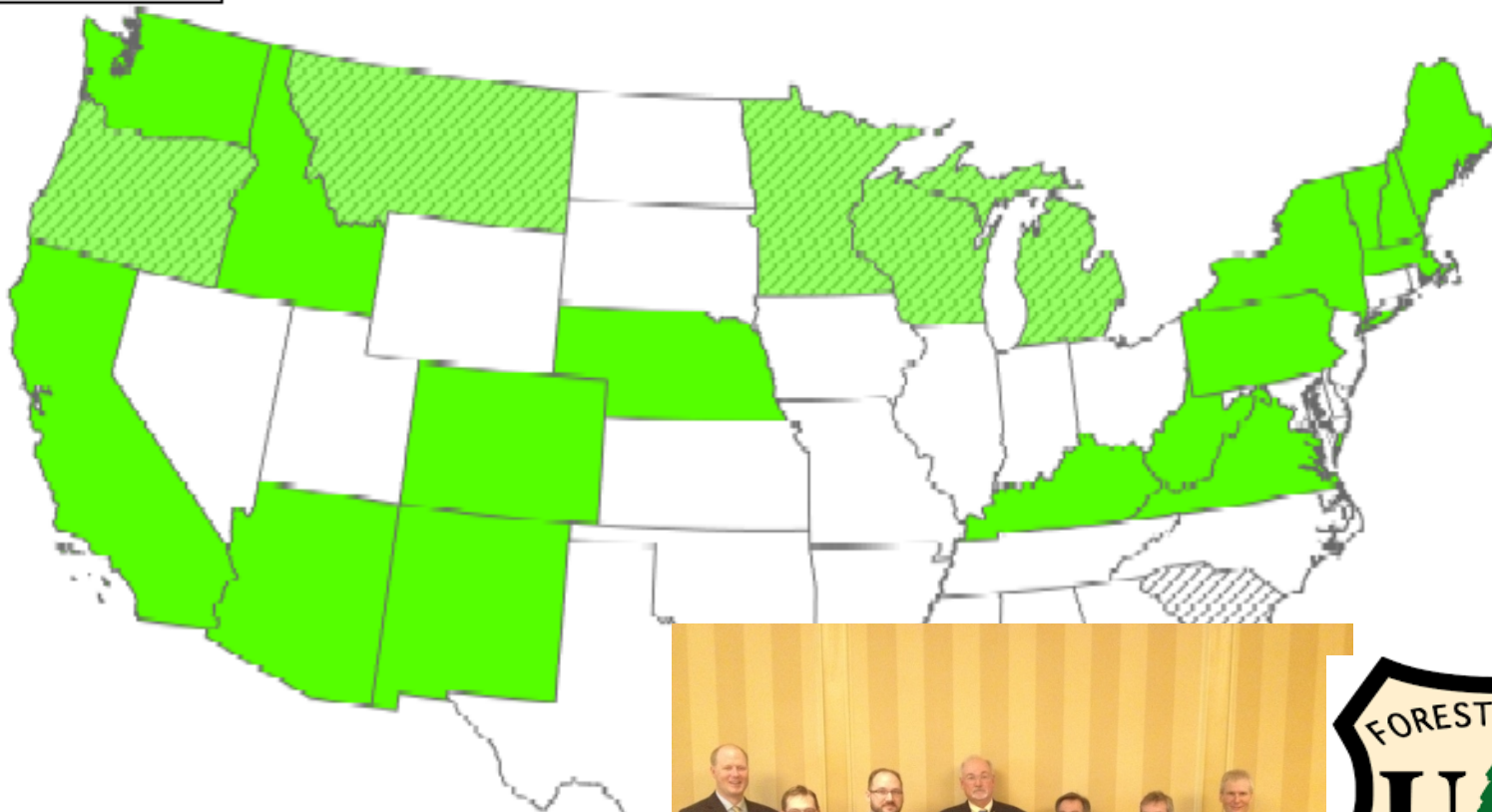
Maine Biomass Energy Task Force

- Four biomass power plants threatened with closure in last year
- Maine legislature formed **Commission to Study the Economic, Environmental and Energy**
- Includes specific reference to biomass thermal
- Opportunity to enhance support for commercial scale pellet heating through thermal RPS and/or grants and rebates





Statewide Wood Energy Teams and Statewide Wood Utilization Teams



Statewide Wood Energy Teams



Statewide Wood Utilization Teams



Thank You



**Innovative
Natural Resource
Solutions LLC**



Charlie Niebling
603-965-5434

niebling@inrslc.com
cniebling@rentk.com