



Pellet Fuels Institute Cheers Inclusion of Tax Credit Extension in Inflation Reduction Act of 2022

August 16, 2022 (Seattle, WA) – The Pellet Fuels Institute (PFI) celebrated today the inclusion of an extension of the residential tax credit for qualifying wood and wood pellet heating appliances in the Inflation Reduction Act of 2022, signed into law today by President Joe Biden. The bill includes \$430 billion in investments in health care and clean energy priorities, including a 10-year extension of the residential tax credit on qualifying wood and wood pellet appliances.

Qualifying appliances installed in a residence on or after Jan. 1, 2023, will generate a tax credit of 30% of the cost of the appliance and installation. A \$2,000 limit was introduced to the tax credit, a stipulation not included when the tax credit was first established in an omnibus spending package signed into law by then President Donald Trump in December 2020. A tax credit for qualifying appliances deployed in commercial settings was not included in the legislation.

“We are extremely gratified to secure a 10-year extension of the tax credit we and our partners in the industry worked so hard for so long to secure,” said Tim Portz, executive director of the Pellet Fuels Institute. “A 10-year extension gives the tax credit the kind of runway our supply chain partners have been asking for, to best maximize the tax credit’s impact on pellet appliance sales across the country.”

The tax credit, initially conceived and introduced as the Biomass Thermal Utilization Act (BTU Act), has been the focus on the PFI’s federal advocacy efforts for over a decade. “The BTU Act’s aim was to secure the tax credit that other renewable energy technologies have benefited from for years,” Portz said. “It is gratifying to see our long-term and most recent advocacy efforts bear fruit.”

Over the past six months, the PFI engaged in a targeted and strategic advocacy campaign recognizing the Biden administration’s interest in passing meaningful clean energy legislation. The effort included member calls with key senators and senate energy staff to articulate the value wood pellet manufacturing brings to the forest products sector and economies in their states.

“As an organization, we really focused on telling the compelling story of wood pellet manufacturing in the states where we operate,” Portz said. “At the heart of it is the smart use of residual wood waste streams to produce a clean-burning, renewable and affordable home heating fuel. That story resonated with each senator and staff member we talked to, and we are pleased with the positive policy outcome it helped secure for our members.”

About the Pellet Fuels Institute

The Pellet Fuels Institute (PFI) is a trade association representing the manufacturers of wood pellets in the United States and the companies and organizations that support them. The PFI is dedicated to

raising awareness about the benefits of using wood pellets to heat homes, businesses and institutions and ensuring that consistent, high-quality product is readily available in the marketplace.

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