



May 17, 2022

Senator Rob Portman  
448 Russell Senate Office Building  
Washington, D.C. 20510

Senator Portman;

We are writing to request the opportunity with you and your staff to share the story of wood pellet manufacturing in Ohio and its importance to the state's robust forest products economy. As you well know, Ohio is blessed with an incredible forest resource. There are 8 million acres of woodlands in the state, owned by nearly 350,000 private landowners. The sustainable utilization of this resource has grown into a **\$26 billion** industry in the state, directly employing nearly **50,000 Ohioans**.

The production of any forest product generates wood waste. Anyone who has operated a table saw in their garage understands this. What is difficult for most people to understand is the incredible volume of wood waste generated when manufacturing forest products. Across the United States wood product manufacturers generate millions of tons of sawdust, chips and planer shavings every year. Finding a consistent and reliable disposal option for those materials is a critical piece of every forest product manufacturing site's operational plan. Here is where the wood pellet sector enters Ohio's wood products manufacturing story. Wood pellet manufacturers not only utilize a good portion of these wood residues, they pay for them, introducing an important revenue stream for wood products manufacturers.

Ohio has three wood pellet manufacturers operating in the state, generating vital demand for these residues; **Easy Heat Wood Pellets** in South Charleston, **American Wood Fibers** in Circleville and **Sugar Creek Shavings** in Sugar Creek. Together these facilities can produce over 70,000 tons of wood pellets every year, creating consistent demand for well over 100,000 tons of wood residues. The Energy Information Administration reports the average price in the eastern region of the U.S. for wood manufacturing residuals was **\$35.82** per ton. In 2021 wood pellet manufacturers spent over **\$3.8 million** on wood residues in the state. Those residues are converted into a high-quality, renewable and cost stable fuel utilized within the region for home and commercial heating applications.

For decades clean-burning, renewable wood pellets found themselves overlooked as federal policies were deployed to incentivize clean energy solutions. The wind and solar categories experienced incredible growth, buoyed by investment tax credits. For over a decade the wood pellet sector worked tirelessly to even the playing field and in December of 2020 provisions of the Biomass Thermal Utilization Act (BTU Act) were included in the omnibus spending bill signed by then President Trump. This tax credit, available to homeowners choosing to install qualifying wood and wood pellet appliances

has been an incredible boost to the sector. Still, the tax credit was not eligible for commercial installations and expires for residential buyers in December of 2023.

Wood pellet manufacturing is vital to Ohio's forest products sector. Wood pellet manufacturers in the state directly benefit from every new wood pellet stove or boiler sold. We now know the tax credit leads to increased pellet appliance sales and would urge you to support the extension and expansion of the tax credit our sector currently enjoys.

Thank you for your time and attention.

We would be happy to further discuss our businesses and how we support the Ohio forest products economy at your convenience.

Sincerely,

**Tim Portz**

Executive Director  
Pellet Fuels Institute



**Stephen Faehner**

President & CEO  
American Wood Fibers  
Circleville, Ohio



**John McAdow**

Vice President – Operations  
Easy Heat Wood Pellets  
South Charleston, Ohio

