



May 11, 2022

Senator Pat Toomey  
455 Dirksen Senate Office Building  
Washington, D.C. 20510

Senator Toomey;

We are writing to request the opportunity with you and your staff to share the story of wood pellet manufacturing in Pennsylvania and its importance to the state's robust forest products economy. As you well know, Pennsylvania is blessed with an incredible forest resource. Half of the state's landmass is covered in lush and productive forests. Over 97% of the forests in Pennsylvania are classified as working timberlands. The sustainable utilization of this resource has grown into a **\$5.5 billion** industry in the state, directly employing nearly **65,000 Pennsylvanians** across nearly 3,000 businesses.

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 Pennsylvania'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.

Pennsylvania has ten wood pellet manufacturers operating in the state, generating vital demand for these residues; **Greene Team** in Carmichaels, **Lignetics** – Ulysses, **Pelletheat Inc.** – Glen Hope, **Lignetics** – Youngsville, **Kingdom Biofuels** – Peach Bottom, **Ironstone Mills** – Leola, **Lignetics** – Mifflintown, **C & C Smith Lumber Company** – Summerhill, **Barefoot Pellet** – Troy, and **Penn Wood Products** – East Berlin. Together these facilities can produce over 363,200 tons of wood pellets every year, creating consistent demand for well over 500,000 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 **\$18.2 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 Pennsylvania'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 Pennsylvania forest products economy at your convenience.

Sincerely,

**Tim Portz**

Executive Director  
Pellet Fuels Institute



**Brett Jordan**

Chief Executive Officer  
Lignetics – Mifflintown  
Lignetics – Ulysses  
Lignetics - Youngsville



**Scott Cummings**

President  
Barefoot Pellet Company  
Troy, Pennsylvania

