

# THE PENNSYLVANIA FORESTRY ASSOCIATION

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August 1, 2013

The Honorable Robert Casey Jr.:

The Pennsylvania Forestry Association (PFA) is asking for your support of the Biomass Thermal Utilization Act of 2013 (S. 1007). PFA is a broad-based citizen's organization that provides leadership and education in sound, science-based forest management and promotes stewardship to ensure the sustainability of all forest resources, resulting in benefits for all, today and into the future. To practice good forest resource management, we need markets from a healthy forest industry to utilize the abundance of low-grade wood that needs to be thinned from the forests of Pennsylvania. We strongly support biomass energy and believe that it needs parity in the federal tax code to move this country forward in meeting our energy needs.

As you may know, biomass thermal technologies for space heating, water heating, cooling, and process heat are nearly excluded in the federal tax code compared to other renewable energy technologies like wind, solar, geothermal, and biomass power. The BTU Act contains two major provisions that would correct this oversight:

- Include residential high-efficiency biomass thermal property in Section 25D of the tax code, with a 30% credit for equipment with an efficiency rating of at least 75%;
- Promote commercial and industrial biomass thermal property through a tiered corporate tax credit for 15% or 30% of the installed cost of biomass-fueled heating (or cooling) systems, with a 15% credit for systems 65%-80% efficient, and a 30% credit for systems 80% efficient and above;
- Both credits would have no maximum and would be available for biomass thermal systems placed in service on or before December 31, 2016.

As a Senator of a state with a rich, diverse, and healthy biomass industry, as well as a member of the U.S. Senate Finance Committee, the industry is looking to you for support on this critical issue. The Pennsylvania biomass industry creates thousands of family-sustaining jobs while improving the environment and stimulating local, regional economies statewide. Support and passage of this bill will help us to further the availability of this resource for both residential and commercial application.

Thank you for your time and consideration.



DAVID J. ALERICH, PRESIDENT  
Pennsylvania Forestry Association