

BTEC Government Affairs Overview

11/18/2009

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Government Affairs Committee Chairman, BTEC
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Organizational Structure

- BTEC Government Affairs Committee
 - Member-led, meets weekly via conference call

- Government Affairs Consultants
 - *Pat Rita - Orion Advocates*
 - *Jack Ferguson & Associates*

BTEC Policy Principles

BTEC supports an energy policy for America that is built upon the following foundation principles and desired outcomes:

- **Promotes highest efficiency** utilization of all energy resources
- **Maximizes job creation** in the biomass energy sector
- **Reduces greenhouse gases** that contribute to climate change
- **Improves air quality** through the support of clean, efficient combustion
- **Maximizes the reduction of America's reliance on foreign fossil energy** and increases America's energy independence
- **Promotes sustainable use** of finite natural resources

2009 Overview

- BTEC off to a fast start in 2009
- Active in many different legislative issues
- Quantifying the benefits of biomass thermal
- Actively engaging with Senate and House
- Actively engaging with NGO's
- Gaining traction, supporters, advocates

2009 Priorities and Initiatives

BTEC's major policy priority is to maximize the ability of our nation's biomass resource to provide renewable, sustainable energy.

Our 2009 initiatives include efforts in the following key areas:

- **Investment Tax Credits**
- **Production Tax Credits**
- **Renewable Energy Credits**
- **Climate Change Legislation**
- **District Energy/CHP**
- **Federal Agency Programs (USDA, EPA, etc).**
- **Outreach to other NGO's**

Investment Tax Credits

BTEC strongly supports legislation that provides incentive for the installation of clean, high-efficiency biomass heating systems in residential, commercial, and industrial settings.

H.R. 2080: American Renewable Biomass Heating Act

Sponsor: Rep. Paul Hodes (D-NH)

- Expands the existing IRC Section 25 tax credit for residential biomass heating systems to \$6,000 and extends through 2013
- Potential Impact to BTEC Members: \$150M+ /yr

S. 1643: Cleaner, Secure, and Affordable Thermal Energy Act

Sponsor: Sen. Olympia Snowe (R-ME)

- Expands the existing IRC Section 25 tax credit for residential biomass heating systems to \$4,000 and extends through 2011
- Potential Impact to BTEC Members: \$100M+ /yr

Production Tax Credits

BTEC supports the establishment of a production tax credit (PTC) for renewable thermal energy.

- A similar credit already exists for the production of renewable electricity (Internal Revenue Code, Title 26, Section 45).
- A renewable thermal energy PTC could be implemented through a modification of the existing Section 45 credits or the development of a new section in the tax code.

S. 1094: Renewable Energy Alternative Production Act

Sponsor: Sen. Ron Wyden (D-OR)

- Expands the IRC Section 45 production tax credit to include renewable thermal energy
- Potential Impact for BTEC Members: \$100M+/yr

Renewable Energy Credits

BTEC supports the establishment of renewable energy credits (RECs) for renewable thermal energy. Thermal RECs would incentivize the production of biomass thermal energy and other renewable, carbon neutral sources of heat.

S. 1462 American Clean Energy Leadership Act

Sponsor: Sen. Jeff Bingaman (D-NM)

- Comprehensive Senate Energy Bill
- § 610 C: Establishes tradeable, telescoping renewable energy credits for the useful electric and thermal output of biomass facilities. Credits awarded based on energy efficiency.
- Potential Impact to BTEC Members: TBD

Climate Change Legislation

BTEC supports the passage of federal climate change legislation that recognizes the enormous potential of carbon neutral biomass thermal energy to offset the greenhouse gas emissions of fossil fuel based-heating systems.

H.R. 2454: American Clean Energy and Security Act of 2009

Sponsor: Rep. Henry Waxman (D-CA)

- Comprehensive climate bill in the House
- Not yet clear how cap-and-trade under the bill will affect biomass thermal

S. 1733: Clean Energy Jobs and American Power Act

Sponsor: Sen. John Kerry (D-MA)

- Comprehensive climate bill in the Senate
- Not yet clear how cap-and-trade under the bill will affect biomass thermal

BTEC Position on Climate Change

BTEC is advocating that any Climate Change Legislation

- Include biomass heating as a qualified offset
- Advocate that clean energy fund (from proceeds of auctions) would include incentives for fuel switching to biomass thermal
- Maintain recognition of biomass being carbon neutral

District Energy/CHP

BTEC supports the development of combined heat and power (CHP) and district energy facilities that incorporate high efficiency, biomass-fired heating systems.

S. 1621: Thermal Energy Efficiency Act of 2009

Sponsor: Sen. Bernard Sanders (I-VT)

- Establishes Thermal Energy Efficiency Fund that would award grants for district energy, combined heat and power, and recoverable waste energy projects. Includes biomass facilities.
- Potential Impact to BTEC Members: TBD

S. AMDT 1904 to H.R. 3183: Energy & Water Development Appropriations Act of 2010

Sponsor: Sen. Bernard Sanders (I-VT)

- Amendment incorporated into the E&W Appropriations bill that provides \$15 million for district energy feasibility studies.
- Potential Impact to BTEC Members: TBD

Federal Agency Programs

U.S. Department of Agriculture:

- Community Wood Energy Program (CWEP)
- Biomass Crop Assistance Program (BCAP)
Potential Impact: \$100M+/yr

Property Assessed Clean Energy Bonds:

- PACE program could help homeowners finance a wide variety of clean energy projects (BTEC needs simply to ensure biomass heating systems are included)

U.S. Environmental Protection Agency:

- Voluntary Emissions Improvement Program (VEIP)
Potential Impact: Not clear

Outreach to NGO's

Alliance for Green Heat

- 501 c (3) entity focused on biomass thermal

Pellet Fuels Institute

- Working to coordinate and sync efforts

Union of Concerned Scientists

- Quite active and influential in policy matters
- Focused on biomass electric – RES
- Slowly coming around to benefits of thermal

Other Outreach to NGO's:

- American Forest Products Association (AFPA)

Looking towards 2010

- BTEC will be active on behalf of all members
- We welcome your feedback/comments on areas of focus
- Legislative Activities funded solely through member dues
- We need your involvement (in your areas of interest)

Government Affairs Tiger Teams

1. Residential: Tax Credits, PACE Bonds

- House and Senate bills extending/increasing current credits
- PACE Bonds provide potential financing mechanisms

2. Commercial/Industrial: Tax Credits, BCAP

- Tax credits for commercial/industrial heating systems
- Investment tax credits on building production/distribution infrastructure
- Guiding BCAP policies in an appropriate direction

3. District Energy/CHP / Renewable Energy Credits

- District energy programs; telescoping REC's for cogeneration systems

4. Climate Change Legislation

- Assuring we're included in offsets; sharing in auction proceeds

5. NGO Outreach (UCS, AFGH, etc.)

- Alliance for Green Heat, Union of Concerned Scientists, etc.