December 9, 2019

The Honorable Richard Neal
Chair, Ways & Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington DC 20515

The Honorable Mike Thompson
Member, Ways & Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington DC 20515

Dear Chairman Neal and Congressman Thompson:

The undersigned representatives of organizations and companies across the United States of America express our deep appreciation for including certain provisions of the Biomass Thermal Utilization (BTU) Act (H.R.1479) in the GREEN Act discussion draft released on November 19, 2019.

We note that the discussion draft includes the residential investment credit (section 25D) for high efficiency biomass heating equipment, but excludes the commercial investment credit (section 48). We appreciate the inclusion of the residential credit, but respectfully ask you to reconsider the exclusion of the commercial credit as this bill moves from a discussion draft to mark up.

Since 2009, when the BTU Act was first introduced, the objective of the bill has always been to extend to both homeowners and business owners the same investment credit provisions that exist for nearly all other renewable energy technologies.

Most commercial-scale installations of modern wood heating technology have been used in larger businesses for heating buildings, providing process heat used in food processing, or other manufacturing processes where heat and/or hot water is used for applications other than space heating. This is often the case in rural areas of the US that have no access to pipeline natural gas, and thus conventional fossil heating fuel options are much more expensive. This is true of many business installations that consider modern wood heating as a way of reducing their operating cost in order to remain globally competitive. The 15 or 30% investment credit (two tiers depending on output efficiency) on the installed cost provided by the BTU Act would help improve the feasibility of this capital investment. This is the same incentive a company would receive for installing solar panels, geothermal heat pumps, or a small wind turbine to generate electricity. These are all high capital investments for which the ITC provisions of section 48 have long served as a beneficial incentive. We note that the GREEN Act did include consideration of biogas for the business credit, along with other new technologies not currently recognized for investment tax credits.

Again, we thank you for recognizing the benefits of including the residential section 25D credit for high efficiency biomass heating equipment and hope that you will reconsider including the business credit under section 48.

Your consideration of both the residential and business provisions of the BTU Act will send a powerful signal that advanced wood heating technology, such as that embraced in many rural,
forested and cold regions of the country, is deserving of parity tax treatment like that enjoyed by solar thermal, geothermal, and all other renewable energy technologies.

Thank you for your consideration.

Sincerely,

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