

Jeb Bradley and Jeff Woodburn: Timber, biomass deserve support

“Local Wood Local Good.” It’s a bumper sticker you might see on the road, but it’s more than just a catchy slogan. For many in New Hampshire, it is a way of life. Recent opinion pieces and editorials seemingly bash New Hampshire’s biomass and timber industries as the reason for high electric rates in our state. Nothing could be further from the truth.

Just last year, the Legislature undertook an extensive study on energy costs in Senate Bill 125. The study committee concluded that the largest drivers of our electric price increases are transmission and distribution costs. Transmission and distribution costs have increased over 400 percent in the past decade. Modernizing New England’s transmission/distribution system has cost billions of dollars, and more than \$4 billion of additional costs are planned in the future. Our transmission infrastructure had been neglected and required needed updates, but don’t blame the local power generators for those costs.

In comparison, another study, Senate Bill 51 relating to state subsidies for renewable energy projects under the state’s Renewable Portfolio Standard found that all of New Hampshire’s in-state renewable energy generators account for less than 2 percent of a typical electric bill. And in return, a 2016 Plymouth University economic study, concluded that the six small independent biomass plants accounted for over 900 jobs, both in the plants and in the forests, and over \$250 million annually in economic activity. A loss to this industry would impact fuel taxes, timber taxes, business enterprise taxes and even the state’s unemployment fund.

In today’s changing environment, New England’s power generation facilities are retiring or closing due to the inability to withstand the low wholesale market energy prices

driven by natural gas. Our local energy generators are suffering in the same market. The regional grid operator has warned us of our over reliance on natural gas and said there is a threat of rolling blackouts due to the lack of energy fuel diversity.

Furthermore, in testimony to the Senate Energy and Natural Resources Committee, a former Northeast Utilities Executive estimated N.H.'s electric rate payers could see future cost increases of \$17 million due to loss of capacity if the biomass plants close. The phrases "penny wise and pound foolish" and "pay me now or pay me later" come to mind when contemplating closure of biomass plants and associated job losses.

Other states, recognizing the power supply and job benefits, look to help their local power generators who cannot operate in the natural gas market. Unfortunately, some in N.H. want to disregard the market disruption caused by overreliance on natural gas and its negative effect on homegrown generation. In doing so, they are positioning New Hampshire ratepayers and businesses to pay for energy generated with out-of-state fracked gas, imported oil or imported hydropower. These are "fuel dollars" removed from our economy, and they do not support local jobs.

The fact is, if New Hampshire doesn't support its locally operated power generators, we will lose them. What happens if we lose them? From an energy policy standpoint, there is less local energy on the grid. These plants are base-load plants that have been in our state since the 1980s. Their initial capital costs are paid for. If plants go down, the need for their energy will not. As a region we will need to look to new, more expensive capital expenditures to build new power plants and expand our transmission system for Canadian imports at the costs of billions of dollars. We will all pay for those increased costs.

But of more concern to us is the loss of jobs in these industries our state will experience. Nine hundred jobs are not easily replaced in this economy, and the loss is not just a number. These are our friends, our neighbors, our local logging companies, foresters and plant operators.

While many work in the rural and northern areas of our state, there are affected small companies, including sawmills, throughout New Hampshire. Merrimack County saw the most timber tax for cut timber of any county in 2015. While it is important to encourage new businesses to move here, we also need to help those who have been here for years and have contributed to our economy.

Finally, there is an environmental cost to consider. The timber and biomass industries together support our forests. Our working forests are healthier, more attractive to tourists and better wildlife habitats. This is part of what makes New Hampshire so special. A major loss to these industries will have a detrimental effect on our forests.

So, if the question is about picking winners and losers on SB 365 — then we pick biomass. Because locally produced energy, jobs and healthy forests make New Hampshire the winner.

Republican Sen. Jeb Bradley represents District 3 in Wolfeboro and Democratic Sen. Jeff Woodburn represents District 1 in Dalton.