

**Society for the Protection of New Hampshire Forests  
Northern Forest Center  
Clean Energy New Hampshire**

November 23, 2021

The Honorable Jeanne Shaheen  
United States Senate  
506 Hart Building  
Washington, DC 20510

The Honorable Maggie Hassan  
United States Senate  
324 Hart Building  
Washington, DC 20510

Dear Senators Shaheen and Hassan:

We are writing on behalf of our respective organizations to urge your support for passage of the BTU Act (S.1191) as the Build Back Better bill moves to Senate consideration.

Last week the House passed the Build Back Better bill. It included a 10-year authorization for the section 25C residential credit for high efficiency modern wood heating. It did not include the section 48 business investment tax credit for modern wood heating that has been sought through introduction of the BTU Act for 12 years. A 2019 tax score from the Joint Committee on Taxation estimated the cost of the section 48 credit at only \$36 million over five years.

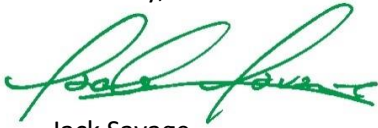
Today's high oil and propane prices make modern wood heat an attractive option for businesses. Unfortunately, the high capital cost of these systems remains the greatest impediment to more widespread business adoption. The section 48 investment credit will help overcome this capital hurdle and allow businesses to save up to 70% on their heat cost (vs. propane). While non-profits and governments agencies cannot directly take advantage of a tax credit, they can through innovative third-party finance mechanisms such as those that the solar industry has used to great advantage. Thus, the business credit can benefit all classes of commercial and institutional building owners.

The BTU Act will also help keep NH fuel expenditures in our state economy, rather than exporting millions by the importation of oil, propane and natural gas heating fuels. These systems are contributing to NH's economy and landscape in the Shaker School District, the Berlin Housing Authority and hundreds of homes across the state. However, adoption is still limited and requires continued incentives to mature the industry.

If New Hampshire is to play a meaningful role in decarbonizing our economy, it will do so through a range of strategies. Sustainably sourced and efficiently utilized low grade wood can have positive benefits in reducing greenhouse gas emissions by 50% on day one, according to an independent life-cycle carbon analysis conducted by the Northern Forest Center. Strong markets for low grade wood also will help keep our forests as forests, by contributing to a viable economic return on good forest management. In our view, the highest and best energy use for New Hampshire's renewable but finite biomass resource is to make heat and combined heat & power at high efficiencies.

The BTU Act has sought to bring parity to the tax treatment of modern wood heat so that this renewable energy technology can benefit from the same incentive structure that have spurred growth in solar, wind, geothermal and other renewables. Your offices have been steadfast supporters of this effort, and we thank you. We ask that you do all that you can to protect the House-passed residential credit and incorporate the business credit in the Senate-amended version of the Build Back Better bill.

Sincerely,



Jack Savage  
President  
Society for the Protection of NH Forests  
[Jsavage@forestsociety.org](mailto:Jsavage@forestsociety.org)



Rob Riley  
President  
Northern Forest Center  
[riley@northernforest.org](mailto:riley@northernforest.org)

Sam Evans-Brown



Executive Director  
Clean Energy NH  
[sam@cleanenergynh.org](mailto:sam@cleanenergynh.org)