

Testimony by Robert Freres Jr. with Freres Lumber Co., Inc. and Evergreen Biopower LLC

RE: HB2449

Madam Chair and Members of the Committee:

The Biomass tax credit is appreciated. OFRI conducted a study nearly 10 years ago stating the cost of removing ~~lumber~~^{Biomass} from the forest was \$45 per ton. With inflation and fuel costs soaring since the report, the tax credit helps but frankly isn't enough.

Like everything in this building if you want less of something you tax it and if you want more of something you incentivize it. The higher the credit the higher volume of biomass will be shipped. I recommend a \$30 per ton tax credit.

My personal experience and that of my biomass suppliers is that using the tax credit spawned a Department of Revenue audit which cast a pall on its use. Low profit biomass suppliers concluded that cost of the audit outweighed the benefit of the tax credit. I understand there is language where the Department of Energy provides certification of the tax credit, hopefully this addresses the problem with the Department of Revenue.

I ask the committee if urban wood waste should be included in the woody biomass definition?

It takes the same processing and transportation, it would remove wood from landfills and eliminates methane emissions, which are considered twenty times more harmful than CO₂.

My family's business is most interested in the pilot program.

Simply put.... If you pay the electricity producer enough, adequate payment will be made to get biomass to the power plant.

From an administrative stand point, the department may deal a small number of electricity producers verses hundreds of collectors.

I have concern about the establishment of the eligibility requirements. I hope existing facilities are not put at a disadvantage to new or restarted facilities to be able to buy fuel.

Small biomass plants are shut down today because utilities don't want competing power providers, and pay a fraction of what wind and solar power producers receive.

The pilot project will level the playing field among renewable power producers.

Biomass provides valuable firm power but requires a constant fuel supply.

Thank you for recognizing the noneconomic societal benefits of biomass power in HB2449.