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SUMMARY OF THE BENEFITS OF WOODY BIOMASS

Dear Chair Barnhart and Members of the House Revenue Committee:

The benefits of utilizing woody biomass for energy production are summarized below. The attached documents provide detailed discussions and references.

- One bone dry ton (BDT) of woody biomass provides enough electrical power for 800 to 1,000 homes for one hour.
- Woody biomass can supply dependable baseline energy from a resource that is renewable and carbon neutral.
- Woody biomass utilization provides important and unique ancillary benefits beyond renewable energy production. These benefits include, but are not limited to, air quality improvement, reduced risks of destructive wildfires, habitat restoration, and stable rural economies.
- The Western Governors Association Biomass Task Force quantified the value of the benefits of the avoidance of open burning and forest overgrowth accumulation for woody biomass. The calculated value of these benefits on a BDT basis are \$126.00 and \$202.00 respectively.
- The return on investment of the biomass tax credit is substantial for Oregon taxpayers.
- The reduction of the credit rate to \$10.00 per BDT in 2011 had an adverse impact beyond the approximate 50% rate cut. The tax credits generated by woody biomass in 2013 (latest year of complete data) was only 21% of the value of the 2010 tax credits.

We support the extension of the biomass tax credit as detailed in HB 2449A. However, we feel that a restoration of the tax credit rate for woody biomass is needed to maximize the ancillary benefits provided to the taxpayers of Oregon by woody biomass utilization.

Thank you for your efforts and consideration of the benefits of HB 2449A.

Attachments