

# United States Senate

WASHINGTON, DC 20510

February 1, 2018

The Honorable Orrin Hatch  
Chairman  
Finance Committee  
United States Senate  
Washington, D.C. 20510

The Honorable Ron Wyden  
Vice Chairman  
Finance Committee  
United States Senate  
Washington, D.C. 20510

Dear Chairman Hatch and Ranking Member Wyden:

As the Finance Committee considers tax extender legislation, we write to urge the inclusion of high efficiency biomass heating equipment under the renewable energy investment tax credits provisions of section 25D and section 48 of the Internal Revenue Code.

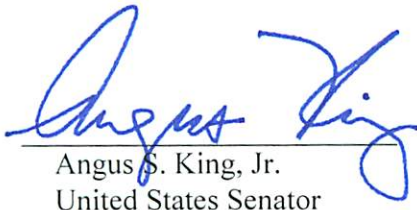
Legislation we have sponsored, the Biomass Thermal Utilization (BTU) Act of 2017 (S. 1480), seeks to achieve parity in the tax code between thermal biomass and other renewable systems. While a number of clean and efficient technologies, including biomass electric generation, solar thermal, and geothermal, qualify for investment tax credits for capital costs incurred in residential and commercial installations, biomass thermal does not qualify and we believe this to be a serious oversight. The BTU Act would recognize and promote the many economic and environmental benefits that biomass thermal energy provides by correcting the omission of high efficiency biomass heating equipment from the investment credit provisions in the Internal Revenue Code.

Many regions of the United States are rich in sustainably managed biomass resources. For example, in 2016, biomass produced 27 percent of Maine's electricity and employed over 1,000 of our citizens. Yet Maine and other states continue to rely heavily on imported fossil fuels (heating oil, natural gas, propane) for residential and commercial heating during the long, cold winters. High-efficiency biomass heating systems can sustainably help to meet residential and commercial heating needs, catalyze economic development especially in rural forest- and farm-dependent communities, and create jobs and opportunity through local, renewable heating sources. That is why this bill is co-sponsored by members from the Northwest, Northeast, and Midwest.

A significant barrier preventing homeowners and businesses from converting to biomass thermal systems is the relatively high up-front capital costs of conversion. By granting access to a modest investment credit, Congress can break down that barrier and accelerate the deployment of advanced wood heating technologies in our heavily oil-dependent region.

We look forward to working with you and other members of the Finance Committee as clean energy tax extender legislation advances. Thank you for your consideration.

Sincerely,



Angus S. King, Jr.  
United States Senator



Susan M. Collins  
United States Senator