



April 14, 2010
FOR IMMEDIATE RELEASE

Contact: Dan Whiting
(202) 367-1222

Improving Tax Policy Will Expand Renewable Biomass Energy

WASHINGTON, DC – The National Alliance of Forest Owners (NAFO) submitted a statement for the House Ways and Means Committee's hearing on "Energy Tax Incentives Driving the Green Job Economy." NAFO told the Committee that the U.S. is not achieving its full domestic, low carbon, renewable energy potential because current tax policy disadvantages open-loop biomass energy compared to other renewable energy sources, such as wind and geothermal. NAFO urged the Committee to enact legislation to treat biomass consistently with other renewable energy sources in the tax code.

David P. Tenny, President and CEO of NAFO, highlighted the need for renewable biomass energy, "Tax policy must support forest biomass energy as an essential means of achieving our renewable energy goals. Forest biomass provides a critical source of base load energy to complement intermittent sources, like wind and solar, and is the only viable renewable energy source in many parts of the country. Putting all renewable energy sources on a level playing field in the tax code will enable us to develop the resources that are best suited to, and most economic for, each area of the country."

NAFO's statement to the Committee highlighted its support of H.R. 2626, introduced by Representatives Meek, D-17-Fla, and Herger, R-2-CA, which would equalize tax credit rates for all renewable technologies under the Section 45 Production Tax Credit. Biomass is presently eligible for 50 percent of the tax credit available to other sources, such as wind and geothermal. Tenny underscored how the market responds, "In too many cases renewable electricity projects are selected based more on the comparative value of the tax credit than on the viability of the technology for the region. Congress should equalize tax policy so that project decisions can better focus on optimizing renewable energy production through the most viable energy source."

Tenny also highlighted its benefits, "Scientists and other federal and private sector experts recognize that sustainable production of forest biomass energy is critical to realizing our greenhouse gas reduction goals, because it recycles atmospheric carbon rather than adding to it. In addition, it is sustainable, domestic, and renewable. The tax code should support what the experts have told us."

NAFO's full statement is available at www.nafoalliance.org in addition to two papers on the sustainability of private U.S. forests: *NAFO's Advocacy Position on Sustainability and Environmental Regulation of Private Forests in the U.S.*

###

NAFO is an organization of private forest owners committed to advancing federal policies that promote the economic and environmental values of privately-owned forests at the national level. NAFO membership encompasses more than 75 million acres of private forestland in 47 states. Visit www.nafoalliance.org/economic-impact-report to see the economic impact of America's working forests.