

Hardwood Federation Update Community Wood Energy/Biomass Residuals

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The hardwood sector wrapped up 2018 with a number of wins in the Farm Bill, including a complete retooling of an existing program that we think will help address our biomass residuals problem.

The legislation that was signed by the President, in the final days of 2018, authorizes \$25 million per year - over the life of this Farm Bill - to install high efficient heat and power systems that operate on wood pellets and wood chips. This was a very positive development. However, another legislative step is involved before funding begins to flow to these projects.

While the Farm Bill authorized the program at this level, it did not grant what is known as **mandatory funding**. In other words, Congress has to appropriate funding for it, as part of the annual appropriations process. While we have seen this year that the appropriations process is fraught with uncertainty, the good news is that there are several strong supporters of biomass energy - and this program in particular - on the Senate and House Appropriations Committees.

The process for making appropriations requests for Fiscal Year 2020 is already ramping up. Typically, to be eligible for consideration by the respective Appropriations Committees, requests must be submitted in March. Thus, in the coming weeks the Hardwood Federation team will be working with our champions in Congress to put forward bi-partisan appropriations requests in both the House and Senate, seeking full funding for this important initiative.

We will keep you apprised of our progress, and likely be reaching out for help, as the process unfolds throughout the year.