



Hundreds of Jobs Eliminated with the Loss of Biomass Production Tax Credits

In 2004 Congress provided a production tax credit (PTC) to America's existing biomass power plants for a five year period (half of the term made available to other renewable technologies). **Unless those credits are extended, operating biomass power plants across America will be shuttered, resulting in the loss of thousands of jobs.**

Current national economic conditions have created significant financial struggles which are adding to the already overwhelming burden these plants would face without tax credits. The bottom line in each and every case is the loss of more American jobs. An analysis of the potential job loss in Maine and contributing economic factors is spelled out below but biomass plants in other regions of the country will feel the same impact and suffer similar employment loss, especially in California.

Potential Financial Impacts on Loss of PTC in Maine

LOST: 321 Direct Jobs
576 Indirect Jobs

897 TOTAL JOBS LOST IN MAINE ALONE

\$17.534 million LOST in Total O&M Annual Payroll & Benefits

\$102.4 Million LOST in Annual Fuel Sales

\$2.244 Million LOST in Annual Tax Revenues to State and Local Governments

273 MW LOST of clean renewable energy replaced with fossil fuel generation

- Currently nine Maine biomass plants are producing 273 MW of electrical power.
- All of these plants are operating without long-term power contracts making them extremely susceptible to market volatility.
- In the last year as a result of the decline in our national economy and significantly lower prices for natural gas, electrical power rates in the region have declined 49 percent. Utilities set their non-contract rates based upon production costs from non-renewable, polluting fuel sources such as coal and natural gas.
- Additionally, the value of State Renewable Energy Credits (RECs) have dropped to half of what they once were, putting further pressure on existing biomass plants to meet basic operating costs.
- **Already three large biomass power plants in Maine have been forced to close down and others are on the brink of shutting their doors, turning off their generators and sending their employees home. Congress must extend the existing PTC for biomass plants operating under similar conditions before this happens to them as well.**