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Renewable Biopower an Engine for Economic Growth on “Main Street” – Key is Congressional Action

USA Biomass Urges Congress to Pass Energy Extension Package

PORTLAND, Maine —(BUSINESS WIRE) — USA Biomass, the nation’s leading association of biopower companies, urges our national leaders to enact a package of tax incentives designed to promote clean, renewable energy from power plants using biomass fuels — such as wood chips, forest waste, orchard prunings, sugar cane and other renewable, organic materials.

“Our members are developing plants across the country to meet the nation’s demands for renewable energy while eliminating harmful greenhouse gas emissions. Moreover, these facilities provide good paying jobs across rural America at a particularly important time in our economic cycle.” said USA Biomass President Bob Cleaves. Nowhere is the potential greater than the Southeastern region of the country. Described as the “Saudi Arabia of wood,” green energy developers are seeking to build nearly ten power plants representing \$500 million in investment.

Like other renewable energy technologies, biomass power relies upon various federal tax incentives designed by Congress to level the playing field with fossil fuel-based plants. These incentives are set to expire on December 31, 2008, unless

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Congress acts now. Both houses of Congress have enacted legislation that would benefit all renewables, including biomass, but the Senate and House have been unable to reach an agreement.

“For every day that Congress fails to act on these tax incentives, it’s one more day that workers across rural America are denied good paying jobs; one more day that our citizens must rely upon foreign sources of energy; one more day that we fail to invest in our own energy future,” according to Cleaves. “Frankly, Congressional inaction is jeopardizing significant new capital investments in our nation’s green energy infrastructure.”

According to Department of Energy estimates, biomass-powered plants provide nearly 2% of the nation’s energy. DOE projects that the potential for biomass could grow to 15% by 2020—a goal that must be realized to meet federal and state renewable energy and greenhouse gas reduction goals. According to recent studies, the greenhouse gas reductions from operating biopower plants are significant. For every megawatt hour of biomass power, approximately 1.6 tons of CO₂ are avoided, resulting in a projected reduction of almost 30 million tons of greenhouse gas emissions annually.

USA Biomass is the only national organization devoted solely to the growth and long-term viability of biomass-powered electric generation — a growing industry that is strengthening America’s rural economy, promoting energy independence and reducing carbon emissions. It has 41 member companies operating 80 power plants in 20 different states. These power plants use a broad range of biomass fuels — from wood chips in Maine, bagasse in Florida and rice hulls in Louisiana, to forest waste in Arizona and orchard prunings in California. Their website is www.usabiomass.org.

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