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Full Steam Ahead on Biomass Tax Credits, says USA Biomass
Group reminds lawmakers that existing biomass power plants need tax credit extensions too

PORTLAND, Maine — While Congress took a major step in extending tax credits for our nation's new biomass facilities in this month's "bailout" bill, it overlooked a major segment of the industry — existing biopower plants, which generate over 1,700 MW of electricity and light 1.5 million American homes. Tax credits for existing biopower plants are set to expire in December 2009 unless Congress takes action "to reinforce its commitment to clean, renewable energy."

"In the new 'green' economy, creating new biomass power is obviously very important — but not more important than supporting our existing fleet of biomass facilities — both are vital to our country's renewable energy supply and critical to the economic health of our rural areas," said USA Biomass Chairman Robert Cleaves. "Unless we renew these tax credits for existing facilities, 1,700 MWs of clean power are in jeopardy, not to mention thousands of jobs."

Biomass power is currently a \$1 billion industry in the United States, with a significant impact on the local economy. In addition, biomass provides 18,000 dedicated, direct and indirect jobs — which tend to be located in rural areas hardest hit by the recent recession.

“These tax credits are just the type of incentives we need to be offering to ensure a healthy, viable, clean energy market for generations to come,” said Cleaves. “In the best interest of our environment — not to mention our ‘Main Street’ economy — we urge Congress to extend these tax credits.”

According to Department of Energy estimates, biomass-powered plants currently provide almost 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.

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 17 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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