



To Whom it May Concern;

On behalf of the members of the Pellet Fuels Institute (PFI) we urge the Maryland General Assembly to support HB87 the “Energy Efficient Home Improvement Credit” which would offer an income tax credit for Maryland residents who choose to install energy efficient or renewable energy technologies in their home, including wood pellet stoves and boilers.

The PFI represents manufacturers of wood pellets, the fuel utilized by wood pellet stoves or boilers and arguably one of the best examples of waste utilization in American manufacturing. Each year, wood pellet manufacturers purchase over 7 million tons of clean sawdust, planer shavings and wood chips from nearby sawmills and forest product manufacturing sites across the country, including Maryland. In 2024 these purchases added over \$250 million to the forest product sector, turning what was once a disposal problem into a significant revenue stream.

A PFI member in Tappahannock, Virginia purchases 10 truckloads per week (12,000 tons annually) of sawdust generated at a sawmill in southern Maryland. Wood pellet manufacturing and use has an economic impact in the state. A tax credit incentivizing additional wood pellet appliance installations in Maryland would have a material impact for businesses in the state.

Another PFI member, American Wood Fibers, is headquartered in Columbia, directly employing 25 people at its headquarters operation and another 25 people at a facility in Jessup that produces agricultural and livestock bedding.

For consumers, wood pellet heating offers a cost-stable, renewable and carbon beneficial fuel that supports local businesses. Wood pellets are manufactured from wood fibers sourced from nearby sawmills and sold along with the appliances that utilize them at nearby hearth stores. Modern wood pellet heating provides consumers with a renewable energy option that keeps energy expenditures circulating within the local economy.

Finally, wood pellet heating offers broad benefits for Maryland homeowners without adding additional demand to a power grid facing rapidly growing demand from data centers and AI processors.

The PFI applauds the bill’s authors on recognizing the economic and environmental benefits of modern wood heating, including those technologies in the legislation and urges the Assembly to advance this bill so that more Maryland homeowners can tap into the

benefits of this clean and reliable heating technology, extending the environmental and economic benefits of wood pellet manufacturing within Maryland.

Respectfully,

Tim Portz  
Executive Director  
Pellet Fuels Institute

Stephen Faehner

 AMERICAN WOOD FIBERS

Columbia, Maryland