NHTOA
NH Timberland Owners Association
Growing Leadership for New Hampshire's Forests

July 25, 2014

Meredith Hatfield, Director
NH Office of Energy and Planning
Governor Hugh J. Gallen State Office Park
107 Pleasant Street
Concord, NH 03301

via email

RE: May 1, 2014 Draft New Hampshire State Energy Strategy

Dear Director Hatfield,

The New Hampshire Timberland Owners Association would like to thank you for the opportunity to provide comments on the May 1, 2014 Draft New Hampshire State Energy Strategy.

Founded in 1911, the New Hampshire Timberland Owners Association (NHTOA) is a membership organization representing New Hampshire's timberland owners and all aspects of the forest products industry. The NHTOA's interest in this strategy comes from our member's involvement in New Hampshire's renewable energy markets. NHTOA members grow, harvest and convert biomass (wood chips) into electricity and heat. Important to the facilities that convert the biomass to electricity and heat are New Hampshire's renewable energy laws and policies. And, in recent years more of the NHTOA's members have begun pursuing wind power projects on their property. Like biomass electricity and heat facilities, wind power projects are also impacted by the state's renewable energy laws and policies.

The NHTOA appreciates the time and effort you and your staff put into researching, gathering public input and developing this document. We recognize this is a very complicated issue and we appreciate your work.

The following are a number of specific comments on the draft;

Page 10 - 2.3.2 Electric Sector Key Assumptions
The fourth assumption in the portfolio optimization model (POM) is new transmission capacity will be constructed to provide imported power to New England. The draft report does not identify the volume or type of power the new transmission capacity will provide. The volume and type of power entering New England will have a significant impact on the region's energy portfolio and ultimately energy pricing and policies. The NHTOA requests the final report provide more detail on the volume and type(s) of power (e.g. wind power, natural gas, hydropower, etc.) behind this assumption.

NEW HAMPSHIRE TIMBERLAND OWNERS ASSOCIATION
54 PORTSMOUTH ST., CONCORD, N.H. 03301
PHONE (603) 224-9699 • FAX (603) 225-5898 • WWW.NHTOA.ORG

Page 59 -- 5.3.2 Achieving the Renewable Power Vision
Figure 5-10 provides a summary of the technologies that will help New Hampshire achieve its renewable power vision. This section of the report goes onto discuss the need to expand these technologies. The NHTOA requests this paragraph also state that New Hampshire's renewable energy policies must also promote the retention of existing renewable energy sources. This is consistent with the structure of New Hampshire's renewable energy laws, specifically the class system in the Renewable Portfolio Standard (RPS).

Page 61 -- 5.3.2 Achieving the Renewable Power Vision – Biomass
The NHTOA questions the report's assertion that "… only another 54 MW may be economically justified based on the availability of remaining resources that could be harvested sustainably." In the 2013 report authored by the North Ease State Foresters Association, *The Economic Importance of New Hampshire's Forest-Based Economy*, data from the USDA Forest Service, Forest Inventory and Analysis shows that in 2012 the annual net growth of New Hampshire's forests was 200.4 million cubic feet while at the same time approximately 134.8 million cubic feet was harvested. The net result is a positive net growth of 65.6 million cubic feet. Changes in the region's log markets, biomass markets, pulp wood markets, land ownership patterns and the location(s) and size(s) of a potential biomass power plant(s) complicate this wood availability analysis. The NHTOA believes this assumption is too conservative and is not applicable across the state.

Page 73 -- 5.4.3 Strategies for Achieving the Vision
The NHTOA supports the recommendation in Figure 5-16: Alternative Fuel Choices Strategy Recommendations; "Continue the development of the renewable thermal requirements of the RPS to maintain momentum in adoption of renewable thermal technologies."

In this same paragraph the NHTOA suggests the addition of a strategy to streamline the permitting process for adding new thermal load to an existing biomass power generation facility. Currently, the permitting costs and regulatory exposures (i.e. reopening of air and operating permits) are a significant barrier to any existing biomass power plant seeking to attract a new thermal customer to purchase their excess heat and steam. The NHTOA suggests the PUC review the current permitting and regulatory requirements and recommend ways to streamline them.

Again, I want to thank you for the opportunity to comment on the proposed draft and look forward to seeing the final plan. If you have any questions or wish to discuss this in more detail please contact me.

Sincerely,

Jasen A. Stock
Executive Director

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