

From: Scott Nichols [mailto:scott@tarmusa.com]

Sent: Tuesday, October 15, 2013 4:21 PM

Subject: RE: Order of Notice - DE 13-298, Renewable Energy Fund - Opportunity to Comment on Renewable Energy Incentive Program for Commercial and Industrial Bulk Fuel-Fed Wood Pellet Central Hearing System

I received a similar solicitation from someone else Monday. Your message invites input before the meeting so I will offer some thoughts.

- How to optimize the rebate's benefit to the state? Disallow municipalities, which do not pay a business profits tax. Disallow grants to entities with headquarters outside of NH.
- Minimum and maximum size: My recommendation would be to avoid minimum and maximum sizes because it will invite false sizing in order to meet the terms of the program. I would also not require that the pellet heating system provide a minimum percentage of the total heat required.
- A minimum efficiency threshold of 80% HHV or 85% LHV should be mandatory. This is more important than it is with residential programs due to the volume of fuel that larger boilers consume.
- Do not require energy audits or upgrades first. However, a professional heat loss calculation and bin hour analysis should be mandatory.
- Do not tier the awards. There are not enough potential buyers to concern ourselves with tiers at the moment.
- Allow multiple eligibility for incentives for each facility. The market is soft. Let those who are willing to make a change get whatever benefits they can.
- Product longevity cannot be assured by product warranties, which are only as good as the people or company that stand behind them. There are outs in all warranties that protect those who grant the warranty. I think the state ought to allow the buyer to decide which product is most likely to meet their heating needs regardless of anticipated product longevity or a supplier's time in the marketplace. Consider that a boiler that is perfectly matched to a heating load will operate many more hours than a boiler that is over-sized. Due to operational hours, the better matched boiler may not last as long as one that is over-sized, yet the well matched machine is likely to be a more financially sound choice.
- Thermal storage should be a requirement. It should be defined as a minimum of 20 gallons/10,000 Btu/hr. boiler output. Using properly sized thermal storage is the easiest way to reduce emissions and increase seasonal efficiency.
- I recommend a grant of 30% of total installed cost up to a maximum grant (cap) of \$50,000. This favors installations that are up to \$150,000. However, I am concerned that a larger cap will allow too few grantees to benefit.

Feeling good about wood,

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