

# About the

## Community Wood Energy Program of the Food Conservation and Energy Act of 2008

The Community Wood Energy Program (CWEP) was authorized under section 9013 of the Food, Conservation and Energy Act of 2008 (2008 Farm Bill). CWEP is a competitive grant program to assist local governments with the capital cost of installing high-efficiency, biomass-fueled heating systems. Millions of homes, schools, and buildings across the country have struggled in recent years with the high cost of heating associated with oil, propane, and natural gas energy sources. CWEP provides states, counties and municipalities with matching grants

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through the US Department of Agriculture to offset the costs of installing heating systems that utilize locally available biomass resources, such as woodchips, wood pellets, or other biomass energy feedstocks.

### **Why Community Wood Energy Is Important and Necessary**

As heat represents roughly one third of all energy consumption in the United States, high efficiency wood-based thermal energy is critical to America's efforts to reduce its reliance on foreign oil, address climate change, and increase energy efficiency.

Replacing aging inefficient oil, gas/propane boilers, and electric heat in public buildings with modern, high-efficient clean burning biomass heating and combined heat and power (CHP) systems can help our nation achieve important energy policy objectives, including:

- Reduced reliance on foreign fossil energy, and increased national security
- Reduced greenhouse gas emissions by using carbon-lean fuels such as biomass
- Increased local economic development and jobs by circulating fuel dollars locally
- Reduced emissions of certain harmful air pollutants
- Taxpayer savings through replacement of more costly fossil energy with biomass

Conversion of biomass to heat is the most efficient means of using biomass as a renewable energy resource. Used for heat or heat-led CHP, woody biomass is approximately 75 percent efficient while using wood to generate electricity alone is only 20-25 percent efficient. Nevertheless, to date, national renewable energy policy has largely ignored thermal energy and focused on directing woody biomass into larger electric generation facilities and transportation fuels, threatening to undermine the energy potential of our country's wood resource to provide an effective and efficient source of renewable energy.

### **How CWEP Works**

CWEP will be administered by the USDA Forest Service. While the program is now authorized, no funding has yet been provided by Congress. Once funding is made available, the program will

provide up to \$50,000 grants to qualifying state or local governmental entities to prepare “community wood energy plans.” These plans must provide an assessment of available feedstocks as well as the feasibility of long-term operation of a community wood energy system, in addition to other considerations. Once a plan has been approved, the qualified applicant may request up to 50 percent matching grants toward the capital cost of installing biomass energy systems. Match funds must come from non-federal sources. These systems can be central heating boilers or furnaces, district heating plants, CHP plants, and other related biomass energy technology under 50 MMBtu per hour for heating or 2 MW for electric output.

### **The Community Wood Energy Program: An Opportunity to Lead**

CWEP can play a vital role in catalyzing a move toward renewable biomass heat and CHP technology across the country. Planning grants will help states and communities understand and assess the opportunity. Capital grants toward installations can help establish a network of demonstration sites where others can learn first-hand about the technology, its maintenance and operation, and the economic and environmental benefits. These demonstrations will build critical mass in the market whereby private enterprise can invest in technology innovation, growth, and expanded availability of systems. **There is an important role for government leadership in supporting this transformation of our energy economy.**

### **Current Status**

The USDA Forest Service has developed internal guidelines on the administration of CWEP. The Obama Administration did not include funding for CWEP in its FY2010 federal budget request. Efforts are underway to request funding of Congress at the fully authorized level of \$5 million per year for FY2010. If these efforts succeed, the earliest funding could be made available to state and local governments would be some time during 2010. It is also important to note that the CWEP will need to be expanded over time beyond this initial start-up funding level if it is to have a meaningful impact on developing community-scale wood energy across the country.

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