



The Community Wood Energy and Wood Innovation Program

Background

Residuals from hardwood sawmills, particularly sawdust and bark, have historically been a source of additional income as mills were able to sell their waste to pulp and paper and pellet mills. Paper mills have reduced their demand and the relatively low prices of oil and natural gas have driven customers away from wood based heating systems fed by pellets. Warm winters have also undoubtedly put some downward pressure on demand. The issue of mounting sawdust and bark residuals from mills has continued to be a cause of concern in a number of regions across the U.S.

The Community Wood Energy and Wood Innovation Program (CWEIP), included in the 2018 Farm Bill Reauthorization, provides grants to projects that install high efficiency wood heating systems in hospitals, schools, community centers and entire towns. The 2018 bill authorizes \$125 million for the program over the next 5 years to facilitate installations of heat and power systems that operate on sawmill residual-derived fuels. Although this program had been in existence for several years prior to 2018, it was authorized at only \$5 million per year and never received appropriations. The 2018 Farm Bill increased the funding significantly and also broadened the scope of the program to include capital improvements made by sawmills.

Issue

Although the program was included in the reauthorization of the Farm Bill with increased funding levels, the actual money must be designated through the Congressional Appropriations process. As appropriators have failed in the past to provide financial support for the program, we must be prepared to advocate strongly for full funding as appropriations bills move forward.

Hardwood Federation Position

The Hardwood Federation supports CWEIP to help drive up demand for these wood residuals in the form of incentives for increased use of these materials and supports full funding for CWEIP through the appropriations process.