

To the Committee Members:

I am Jim Van Valkenburgh of Peterborough, VP of Sales & Marketing at Froling Energy. I have been involved in the support of renewable energy in this state since 1978.

Froling Energy opposes both HB 219 and HB 567

Froling Energy is based in Keene and has been in the business of installing wood pellet and wood chip boilers for 15 years. Over the past 10 years we have made significant investments in manufacturing and delivering a new economical wood fuel called PDCs that are screened dried wood chips sourced from our region.

Since the RPS was made into NH law, the renewable energy market has had steady growth.

This winter our dried chips will displace the burning of 1 million gallons of fuel oil. If we add up the impact of all our boiler customers who are burning wood pellets or wood chips, we estimate they are replacing over 4 million gallons of oil--using our region's wood.

The largest wood pellet plant in the Northeast is Lignetics in Jaffrey who manufactures 100,000 tons of wood pellets a year, the equivalent of 12 MILLION gallons of #2 Oil. Please read their letter sent to Committee members.

Froling Energy's focus is on medium to large scale wood chip and pellet boiler systems that heat industry, schools, nursing and retirement homes, and many other organizations—nearly all are located in the large area of our state that is not served by Natural Gas.

Who are some of our customers who currently benefit from the RPS?

- Whelen Engineering in Charlestown
- Filtrine Mfg. in Keene
- SPNHF
- Maplewood Nursing Home in Westmoreland & Cheshire County Courthouse
- Merrimack County Dept of Correction in Boscawen, just up the road
- Town of Peterborough
- The Shaker School District
- John Stark High School
- Plymouth State University - ALLWell Center
- UNH The Thompson School & greenhouses
- And so many others....

Letters of opposition to the passage of both HB219 and HB567 were sent to committee members by a number of these organizations. Please take time to read them.

It is fairly simple: Everyone is looking for the least costly fuels which will keep their heating costs as low as possible and keep them competitive in their industry. In these areas where there is no Natural Gas, Wood fuels are the least costly fuels and the most price stable. In fact, our dried chips and green chops quite comparable in price to Natural Gas—if not cheaper, when the benefits brought by the RPS are calculated in.

RPS related grants and rebates help to reduce the biomass boiler equipment costs that are more than double what Natural Gas or oil equipment costs. And Thermal RECs add to the equation that makes that investment pay off within a reasonably short time frame.

The RPS and Thermal RECs are a win – win for NH.

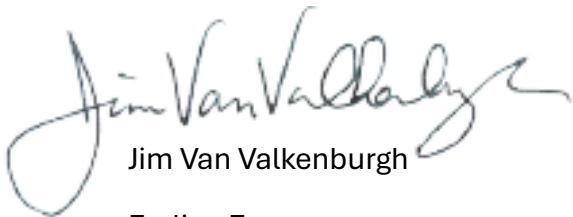
Studies show that of all the Money spent on wood fuels 78% of it stays in our state. Money goes to land owners, foresters, to logging companies, to truckers, equipment suppliers, fuel processors and delivery companies--and all of their employees. I ask you, what percentage of the millions of dollars spent each year on oil and Natural Gas stay in NH? 22% would be a very generous over-estimate, which is the opposite of what wood provides.

Today, others have told you how a strong, steady market for low grade wood is also good for the forest, our forest products industry and our rural economy. Believe them.

The RPS is a real NH Advantage. Let's keep the RPS and Thermal RECs as they are now.

Please vote against both HB219 and HB567.

Sincerely yours,



Jim Van Valkenburgh

Froling Energy

603-924-1001 x2

Jim@FrolingEnergy.com