

Dear Director Howland,

I am writing to you today regarding an email correspondence I received from Susan Gagne on 6/18, subject Request to Reallocate Fiscal Year 2020 Budgets. In summary this document recommends \$100,000 be pulled from the Residential Bulk Fed Wood Pellet Boiler and Furnace Rebate and reallocated to solar and wind rebates. I would like to express my deep concern with this proposal.

The Covid 19 pandemic's timing was very poor for us. Late winter and spring are a vital time of year for developing our summer and fall installation calendar. It is a time of year that New Englanders are still thinking about heating and are starting to prepare for home improvement projects. For us this means in-home site visits, home shows, and energy-related public events. All of this came to a screeching halt when we could no longer meet with customers in their homes or attend public events. We have seen new heating systems leads drop by more than 50% from March to June. Financially, NH residents became very concerned and rightfully so. Next to come was the absolute collapse in the price of oil due to the world economy shutting down. This led to homeowners "stocking up" on cheap heating oil and a real lack of clarity on what oil prices might do in 2020. We have seen a rebound in oil prices but the literal negative price of oil during the late winter and spring was just another punch to the gut. Without this pandemic, I feel confident that this \$100,000 that is being proposed for reallocation would have largely been used up. That is only a few boilers per installer and I am sure we would have had customers to use those funds.

During all this Lyme Green Heat has continued to invest in our business and the wood heating industry. We have continued with developing a new web site design, we purchased a new tractor trailer truck to support our commercial bulk wood pellet delivery business and are heavily investing in a new marketing campaign feeding off from the Northern Forest Centers "Feel Good Heat" initiative. We have maintained our full staff and are working extra hard to get back to serving our neighbors heating needs. In these still very uncertain times, the last thing my company needs is to see the PUC move money away from the pellet boiler program. We are the only bulk wood pellet delivery company in NH. Building and operating a wood pellet delivery company has been very challenging both personally and financially. The only way we get new bulk pellet customers is for NH residents to install new bulk fed pellet systems. This program was developed to support the growth of bulk wood pellet delivery and it has done so, but we are not yet profitable. We need to continue to infill around our existing delivery base to make the logistics of

delivering fuel through the state financially sound. Changes to the PUC Bulk Fed Boiler program would affect us more than another other company in the state or in the industry. We count on new system installation for our fuel business to grow and mature. As business through the state and our country are reaching out for help in these difficult times I ask that you please do not make changes to this program's funding that could have negative impacts on my family, business and employees.

I cannot tell you how much I appreciate the efforts that you and your staff have made to keep wood heat a priority in NH and it's been much needed without the support from federal policy that other energy technology currently receive. Your program is it for us, without its NH residents having no other assistance to make the financial investment in locally sourced wood fuel. We have work lining up and are investing heavily to turn the tide that this pandemic has caused. Please continue to believe in clean wood energy and support the New Hampshire residents that want to use it.

With Kind Regards,

Morton Bailey

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