

**MEMORANDUM OF UNDERSTANDING**  
**Between the**  
**ALLIANCE FOR GREEN HEAT,**  
**And the**  
**BIOMASS POWER ASSOCIATION,**  
**And the**  
**BIOMASS THERMAL ENERGY COUNCIL,**  
**And the**  
**PELLET FUELS INSTITUTE**  
**And the**  
**UNITED STATES DEPARTMENT OF AGRICULTURE**

This MEMORANDUM OF UNDERSTANDING (MOU) is hereby made and entered into by and between the Alliance for Green Heat (AGH), Biomass Power Association (BPA), Biomass Thermal Energy Council (BTEC), and the Pellet Fuels Institute hereinafter referred to as "the Partners," and the United States Department of Agriculture, hereinafter referred to as "USDA."

**Background:** Many rural areas across the United States (U.S.) depend heavily on expensive, imported petroleum products for heating homes, institutional and commercial buildings, industrial businesses, and agricultural facilities. Replacing many of these fossil fueled systems with wood fueled heating or power systems could substantially expand renewable wood energy use in rural America. The natural by-products of forest management, forest restoration, and hazardous fuel reduction activities can be used to generate renewable energy at various residential (e.g., wood and pellet stoves), or municipal (e.g., wood boilers or wood-based district heating systems), and industrial (e.g., wood boilers or combined heat and power systems to generate heat, steam, hot water, or electricity).

A number of factors across the U.S. have resulted in overstocked forest stands and accumulation of fuels beyond naturally occurring levels. These dense conditions impact forests' resilience to climate change, insects, diseases, and other ideal conditions for future catastrophic fires, pandemic disease outbreaks, and other undesirable events. Forest health problems associated with native and introduced insects and diseases, such as Asian long-horned beetle, emerald ash borer, and mountain pine beetle, are adversely impacting urban and rural forests in the U.S. These forest health conditions have produced massive quantities of excess wood residues. Converting available residues from forest management activities to wood energy will enable forest managers and communities to promote better forest management, stimulate forest products markets, replace fossil fuels with a domestically grown carbon absorbing feedstock, and create much needed local while expanding America's renewable energy portfolio.

**TITLE: PROMOTING WOOD ENERGY IN THE UNITED STATES**

- I. PURPOSE:** The purpose of this MOU is to establish the basis for cooperative programs, communications, technological advances and project development toward an expanded use of wood energy in the U. S.

**STATEMENT OF MUTUAL BENEFIT AND INTERESTS:** USDA's Strategic Plan (2010-2015), the Secretary placed a strong emphasis on renewable fuels development, forest restoration, and land management programs to generate and sustain rural jobs and prosperity. The Strategic Plan fosters an "all lands" approach that facilitates desired outcomes on both public and private lands.

USDA works cooperatively with stakeholders in the public and private sector to expand forest products markets, stimulate economic opportunities in rural America, and manage and protect America's public and private lands. USDA agencies that may have programs covered by this MOU include the Forest Service, Natural Resources Conservation Service, Farm Service Agency, and the Rural Development mission area.

Establishing relationships and communications with organizations and trade associations that represent equipment manufacturers, vendors, and consumers can help develop opportunities for wood energy systems that fit within existing USDA programs. These partnerships reinforce USDA's commitment to renewable energy and natural resource stewardship.

The Partners represent a unique mix of technologies, activities, and stakeholders associated with wood energy. Strengthened relationships between the Partners and USDA will provide a coordinated and powerful framework for cooperation toward common goals of mutual interest, understanding, and efficient administration of programs. As specific context:

- **Alliance for Green Heat (AGH)** is a 501(c)(3) non-profit organization dedicated to promoting cleaner and more efficient residential wood heat, particularly for rural middle and low-income households. The Alliance is also hosting the Next Generation Wood Stove Design Challenge, modeled after the Solar Decathlon, to spur innovation and adoption of next generation wood heating technology.
- **Biomass Power Association (BPA)** has a goal of increasing the use of biomass power and creating new jobs and opportunities for the biomass industry. BPA is striving to increase the use of biomass power and expand other renewable energy sources in America's energy portfolio by supporting policies, legislation, and public education efforts. BPA represents 80 biomass power plants in 20 states across the country.
- **Biomass Thermal Energy Council (BTEC)** is a 501(c)(6) non-profit association dedicated to advancing the use of biomass for heat and other thermal energy applications. Representing approximately 100 biomass fuel producers, appliance manufacturers and distributors, supply chain companies, and non-profits, BTEC engages in research, education, and public advocacy for the fast growing biomass thermal energy industry.
- **Pellet Fuels Institute (PFI)** is a non-profit trade association of over 100 member companies that promote energy independence through the efficient use of clean, renewable, densified biomass fuel. The industry that PFI represents is comprised of pellet mills, pellet appliance manufacturers, and industry supplies. PFI coordinates and integrates the needs of raw material sources, equipment suppliers and consultants, fuel

producers, appliance manufacturers, and distribution entities by educating, disseminating, and promoting the ecological, economic, and environmental advantages and benefits of densified biomass fuel technology.

By entering into this MOU, both the Partners and USDA recognize that there are certain common interests and goals, including but not limited to:

- **Expanding renewable energy** -- promoting wood combustion technologies across residential, commercial, and industrial sectors will significantly expand America's renewable energy portfolio.
- **Creating local jobs** - wood energy creates local jobs in rural and urban areas along each stage of the supply chain.
- **Strengthening forest industry** - stimulating demand for forest products supports an industry that is vital to forest management.
- **Boosting environmental benefits** - wood utilization facilitates better management of forests for ecosystem services like wildlife habitat, water quality, environmental improvements, and other societal benefits.
- **Improving regional air quality** -- new wood energy systems can help reduce air pollution caused by wildfires, slash disposal, and older inefficient combustion technologies.
- **Reducing wildfire risks** - wood utilization can reduce the costs of removing hazardous forest fuels by making use of materials that would otherwise be burned in the forest. Reduction of forest fuels can reduce the severity and intensity of wildfires.
- **Improving forest health** - wood energy supports sustainable forest management, which helps reduce damage by insects, disease, and invasive species.
- **Mitigating and adapting to climate change** - wood can replace fossil fuel as a renewable energy source that absorbs carbon dioxide as it grows.
- **Providing affordable heating options for rural America** - wood heating systems can help homeowners avoid the high cost of fossil-based fuels (e.g., oil, propane, coal-fired electricity) and foster more sustainable solutions toward energy independence.

In consideration of the above premises, the parties agree as follows:

### **III. THE PARTNERS SHALL:**

- A. Coordinate with USDA to communicate opportunities among producers and users of wood energy technologies.
- B. Collaborate with USDA to improve marketing and outreach associated with USDA program opportunities and assistance.
- C. Provide subject matter expertise for collaboration, stakeholder engagement, and meeting planning.

- D. Provide appropriately skilled members of their staff to aid in planning and developing projects and efforts of mutual interest authorized through separate agreements or contracts. *See Provision V. - I, Non-Binding Agreement.*
- E. Build community capacity through collaborative public outreach efforts via information, technical assistance, and technology transfer.

#### **IV. USDA SHALL:**

- A. As appropriate, focus on work that supports the President's goal of promoting 80% of the country's energy production from clean sources, including wood energy, by 2035.
- B. Accelerate and streamline the process for adopting wood energy solutions through various USDA programs. Examples include:
  - Simplify and integrate program application for woody biomass users and technology providers.
  - Improve Financial Feasibility Studies for wood energy and woody biomass utilization.
  - Improve timing and coordination of USDA Programs, especially the timing of USDA funding announcements, to better match business patterns and seasons. Help reduce the time needed to bring wood energy facilities and technological advances into full operation.
  - Assess challenges in connecting wood energy technology to electricity grids. Convene inter-Departmental and inter-governmental forums to address and mitigate these challenges. Make recommendations for new or revised policies, as appropriate.
  - Work with Partners to more effectively distribute USDA managed information to improve decision-making, implementation, efficiencies, and environmental footprints.
  - Improve communication and information sharing about sustainable use and growth of wood for energy.
  - Develop new financial tools to help rural America access the capital needed for expanded wood energy.
- C. Encourage the development, adoption, and technology transfer of commercially available and emerging wood energy systems and associated pollution control technologies.
- D. Cultivate projects and initiatives to further wood energy technologies and their use in the United States. Examples may include:
  - Participation in partner events (e.g., annual conferences and symposiums).
  - Development and support of a network of state wood energy teams.
- E. Assist the Partners in forging productive relationships with USDA toward successful and collaborative implementation of technical assistance and programs.
- F. Provide a national point of contact to coordinate among USDA agencies on wood energy issues (e.g., projects, technology development, policies).

- G. Assess the feasibility of establishing agency liaisons with the Partners to help review and develop future agreements, monitor accomplished activities, and evaluate performance of all parties.

V. **IT IS MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES THAT:**

- A. All parties intend to encourage and facilitate direct contact among appropriate institutions and specialists. Collectively, the parties will work toward long-term cooperation and collaboration to advance wood energy technologies as a means to provide a range of ecosystem services throughout the United States. The collaboration will support decision-making in the face of climate change and other threats to forests and grasslands.
- B. All collaborative activities should be mutually determined by the parties and may be described in, and subject to, individual plans of work delineating arrangements between the parties that are specific for each activity.
- C. PRINCIPAL CONTACTS. The principal contacts for this MOU are listed in Exhibit A. Any changes to the principal contacts may be made without formal modification to this MOU, and should be distributed among the parties.
- D. NON-LIABILITY. The USDA does not assume liability for any third party claims for damages arising out of this instrument.
- E. ASSURANCE REGARDING FELONY CONVICTION OR TAX DELINQUENT STATUS FOR CORPORATE ENTITIES. This MOU is subject to the provisions contained in the Consolidated Appropriations Act, 2012, P.L. No. 112-74, Division E, Section 433 and 434 regarding corporate felony convictions and corporate Federal tax delinquencies. Accordingly, by entering into this agreement each Partner acknowledges that they: 1) do not have a tax delinquency, meaning that it is not subject to any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, and 2) have not been convicted (or had an officer or agent acting on its behalf convicted) of a felony criminal violation under any Federal law within 24 months preceding the agreement, unless a suspending and debarring official of the USDA has considered suspension or debarment is not necessary to protect the interests of the Government. If the Partners fail to comply with these provisions, USDA will annul this agreement and may recover any funds Partners have expended in violation of sections 433 and 434.
- F. NOTICES. Any formal communication given by USDA or the Partners that affects operations covered by this agreement is sufficient only if in writing and delivered in person, mailed, or transmitted electronically by e-mail or fax, as follows:

To USDA via the USDA Program Manager Contact or USDA Administrative Contact at the address specified in this MOU.

To the Partners via the Cooperator Program Contact or Cooperator Administrative Contact address specified in this MOU.

Notices are effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

- G. PARTICIPATION IN SIMILAR ACTIVITIES. This MOU in no way restricts the USDA or Partners from participating in similar activities with other public or private agencies, organizations, and individuals.
- H. ENDORSEMENT. Any of the Partners' contributions made under this MOU do not by direct reference or implication convey USDA endorsement of the Partners' products or activities. A disclaimer must be used if there is any appearance of USDA endorsement. Contact the USDA Administrative Contact specified in this MOU for the appropriate disclaimer for each circumstance.
- I. NONBINDING AGREEMENT. This MOU creates no right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity. The parties shall manage their respective resources and activities in a separate, coordinated, and mutually beneficial manner to meet the purposes of this MOU. Nothing in this MOU authorizes any of the parties to obligate or transfer anything of value.

Specific, prospective projects or activities that involve the transfer of funds, services, property, or anything of value to a party requires the execution of separate instruments and are contingent upon numerous factors, including, as applicable, but not limited to: USDA availability of appropriated funds and other resources; cooperator availability of funds and other resources; USDA and cooperator administrative and legal requirements (including agency authorization by statute). This MOU neither provides nor meets these criteria. If the parties elect to enter into an obligation instrument that involves the transfer of funds, services, property, or anything of value to a party, then the applicable criteria must be met. Additionally, under a prospective instrument, each party operates under its own laws, regulations, and/or policies, and any USDA obligation is subject to the availability of appropriated funds and other resources. The negotiation, execution, and administration of these prospective instruments must comply with all applicable laws.

Nothing in this MOU is intended to alter, limit, or expand USDA's statutory and regulatory authority.

- J. USE OF USDA or AGENCY INSIGNIAS. The partners must obtain permission from USDA to use USDA insignias in any published media, such as a Web page, printed publication, or audiovisual production. Prior to use of any USDA insignia, Partners must

request permission and obtain written approval from the USDA Administrative Contact specified in this MOU.

- K. MEMBERS OF U.S. CONGRESS. Pursuant to 41 U.S.C. 22, no U.S. member of, or U.S. delegate to, Congress shall be admitted to any share or part of this instrument, or benefits that may arise therefrom, either directly or indirectly.
- L. FREEDOM OF INFORMATION ACT. Public access to this MOU or agreement records must not be limited, except when such records must be kept confidential and would have been exempted from disclosure pursuant to Freedom of Information regulations (5 U.S.C. 552).
- M. TEXT MESSAGING WHILE DRIVING. In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," any and all text messaging by Federal employees is banned: a) while driving a Government owned vehicle (GOV) or driving a privately owned vehicle (POV) while on official Government business; or b) using any electronic equipment supplied by the Government when driving any vehicle at any time. All cooperators, their employees, volunteers, and contractors are encouraged to adopt and enforce policies that ban text messaging when driving company owned, leased or rented vehicles, POVs or GOVs when driving while on official Government business or when performing any work on behalf of the Government.
- N. PUBLIC NOTICES. It is USDA's policy to inform the public as fully as possible of its programs and activities. Partners are encouraged to give public notice upon activation of this instrument and, from time to time, to announce progress and accomplishments.

The Partners may call on USDA for advice regarding public notices. Partners are requested to provide copies of notices or announcements as far in advance of release as possible to the USDA Program Manager or USDA Administrative Contact specified in this MOU.

- O. USDA ACKNOWLEDGED IN PUBLICATIONS, AUDIOVISUALS, AND ELECTRONIC MEDIA. The Partners shall acknowledge USDA support in any publications, audiovisuals, and electronic media developed as a result of this MOU.
- P. NONDISCRIMINATION STATEMENT – PRINTED, ELECTRONIC, OR AUDIOVISUAL MATERIAL. The Partners shall include the following statement, in full, in any printed, audiovisual material, or electronic media for public distribution developed or printed with any Federal funding.

*In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.)*

**To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW,**

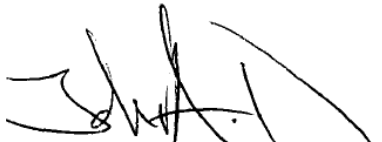
**To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.**

If the material is too small to permit the full statement to be included, the material must, at minimum, include the following statement, in print size no smaller than the text:

*"This institution is an equal opportunity provider."*

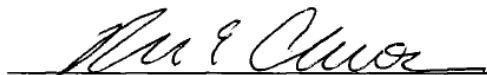
- Q. TERMINATION. Any of the parties, in writing, may terminate this MOU in whole, or in part, at any time before the date of expiration.
- R. DEBARMENT AND SUSPENSION. The Partners must immediately inform the USDA if they or any of their principals are presently excluded, debarred, or suspended from entering into covered transactions with the federal government according to the terms of 2 CFR Part 180. Additionally, if the Partners or any of their principals receive a transmittal letter or other official Federal notice of debarment or suspension, then they must notify USDA without undue delay. This applies whether the exclusion, debarment, or suspension is voluntary or involuntary.
- S. MODIFICATIONS. Modifications within the scope of this MOU must be made by mutual consent of the parties, by the issuance of a written modification signed and dated by all properly authorized, signatory officials, prior to any changes being performed. Requests for modification should be made, in writing, at least 30 days prior to implementation of the requested change.
- T. COMMENCEMENT/EXPIRATION DATE. This MOU is executed as of the date of the last signature and is effective through **May 1, 2018** at which time it will expire, unless extended by an executed modification, signed and dated by all properly authorized, signatory officials.
- U. AUTHORIZED REPRESENTATIVES. By signature below, each party certifies that the individuals listed in this document as representatives of the individual parties are authorized to act on behalf of their organization for matters related to this MOU. In witness whereof, the parties hereto have executed this MOU as of the last date written below.
- V. ASSURANCE REGARDING FELONY CONVICTION OR TAX DELINQUENT STATUS FOR CORPORATE ENTITIES. This MOU is subject to the provisions contained in the Consolidated and Further Continuing Appropriations Act, 2013, P.L. No. 113-6, Division A sections 732 and 733 regarding corporate felony convictions and corporate federal tax delinquencies.





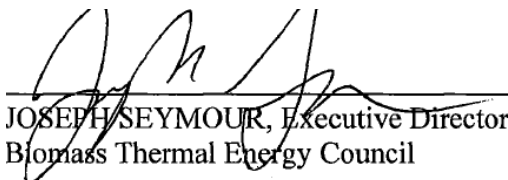
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JOHN ACKERLY, President  
Alliance for Green Heat



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ROBERT CLEAVES, President & CEO  
Biomass Power Association




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JOSEPH SEYMOUR, Executive Director  
Biomass Thermal Energy Council



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JENNIFER HEDRICK, Executive Director  
Pellet Fuels Institute



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THOMAS J. VILSACK, Secretary  
United States Department of Agriculture



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KRYSTA HARDEN, Deputy Secretary  
United States Department of Agriculture

**EXHIBIT A**  
**PRINCIPAL CONTACTS**

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