



## Farm Bill Legislative Side-By-Side

# COMMUNITY WOOD GRANT PROGRAM

### Program Description

The USDA Forest Service's [Community Wood Grant Program](#) provides grants to install community-led thermal wood energy systems or to build innovative wood product manufacturing facilities.

### Climate Highlights

The Community Wood Grant Program, launched in 2020, provides funding for wood energy systems and innovative wood product manufacturing facilities. In [FY 2021](#), the program provided \$2.1 million to support six projects, including one project to build a [biochar](#) plant. Biochar, a carbon-rich product created by burning organic waste materials, can be applied to soil to improve its health.

### Funding

The 2018 Farm Bill ([P.L. 115-334](#)) authorized annual funding of \$25 million for the Community Wood Grant Program through FY 2023. Congress appropriated \$15 million for the program in FY 2023 and \$15 million for the program in FY 2024. In addition, the *Infrastructure Investment and Jobs Act* (IIJA) ([P.L. 117-58](#)) allocated [\\$60 million](#) over five years for the Community Wood and Wood Innovations Grant programs.

## Legislative Side-By-Side

The following Side-by-Side compares the House and Senate versions of the Farm Bill’s Community Wood Grant Program with current law. Underlined text indicates suggested additions to current law. ~~Struck text~~ indicates suggested deletions to current law. “No change” indicates that the entire section was left unaltered.

<b>Current Law</b>  <a href="#">7 USC §8113</a> (October 2022)	<b>House Version</b> House Agriculture Committee <a href="#">amended text</a> pages 653 – 655 (May 2024)	<b>Senate Version</b>
<p align="center"><b>Community Wood Grant Program</b></p>	<p align="center"><del>Community Wood Grant Program</del> <b>Community Wood Facilities Program</b></p>	
<p><b>(a) Definitions</b> In this section:</p> <p><b>(1) Community wood energy system</b></p> <p><b>(A) In general</b> The term "community wood energy system" means an energy system that—</p> <ul style="list-style-type: none"> <li>(i) produces thermal energy or combined thermal energy and electricity where thermal is the primary energy output;</li> <li>(ii) services public facilities owned or operated by State or local governments (including schools, town halls, libraries, and other public buildings) or private or nonprofit facilities (including commercial and business facilities, such as hospitals, office buildings, apartment buildings, and manufacturing and industrial buildings); and</li> <li>(iii) uses woody biomass, including residuals—             <ul style="list-style-type: none"> <li>(I) that have not been adulterated with glue or other chemical treatments from wood processing facilities, as the primary fuel; and</li> <li>(II) for which the use of that biomass for energy production does not cause conversion of forests to nonforest use.</li> </ul> </li> </ul> <p><b>(B) Inclusions</b> The term "community wood energy system" includes single-facility central heating, district heating systems serving multiple buildings, combined heat and electric systems where thermal energy is the primary energy output, and other related biomass energy systems.</p>	<p><b>(a) Definitions</b> In this section:</p> <p><b>(1) Community wood energy system</b></p> <p><b>(A) In general</b> The term "community wood energy system" means an energy system that—</p> <ul style="list-style-type: none"> <li>(i) produces thermal energy or combined thermal energy and electricity where thermal is the primary energy output;</li> <li>(ii) services public facilities owned or operated by State or local governments (including schools, town halls, libraries, and other public buildings) or private or nonprofit facilities (including commercial and business facilities, such as hospitals, office buildings, apartment buildings, and manufacturing and industrial buildings); and</li> <li>(iii) uses <del>woody biomass, including residuals</del><u>primarily forest biomass, including processing or manufacturing residuals</u>—             <ul style="list-style-type: none"> <li>(I) that have not been adulterated with glue or other chemical treatments from wood processing facilities, as the primary fuel; and</li> <li>(II) for which the use of that biomass for energy production does not cause conversion of forests to nonforest use.</li> </ul> </li> </ul> <p><b>(B) Inclusions</b> The term "community wood energy system" includes single-facility central heating, district heating systems serving multiple buildings, combined heat and electric systems where thermal energy is the primary energy output, and other related biomass energy systems.</p>	<p><b>This resource will be updated as the Senate legislative Farm Bill text is released.</b></p>

<p><b>(2) Innovative wood product facility</b>  The term "innovative wood product facility" means a manufacturing or processing plant or mill that produces—</p> <ul style="list-style-type: none"> <li>(A) building components or systems that use large panelized wood construction, including mass timber;</li> <li>(B) wood products derived from nanotechnology or other new technology processes, as determined by the Secretary;</li> <li>or</li> <li>(C) other innovative wood products that use low-value, low-quality wood, as determined by the Secretary.</li> </ul> <p><b>(3) Mass timber</b>  The term "mass timber" includes—</p> <ul style="list-style-type: none"> <li>(A) cross-laminated timber;</li> <li>(B) nail-laminated timber;</li> <li>(C) glue-laminated timber;</li> <li>(D) laminated strand lumber; and</li> <li>(E) laminated veneer lumber.</li> </ul> <p><b>(4) Program</b>  The term "Program" means the Community Wood Energy and Wood Innovation Program established under subsection (b).</p>	<p><b>(2) Innovative wood product facility</b>  The term "innovative wood product facility" means a manufacturing or processing plant or mill that produces—</p> <ul style="list-style-type: none"> <li>(A) building components or systems that use large panelized wood construction, including mass timber;</li> <li>(B) wood products derived from nanotechnology or other new technology processes, as determined by the Secretary;</li> <li>or</li> <li>(C) other innovative wood products that use low-value, low-quality wood, as determined by the Secretary.</li> </ul> <p><b>(3) Mass timber</b>  The term "mass timber" includes—</p> <ul style="list-style-type: none"> <li>(A) cross-laminated timber;</li> <li>(B) nail-laminated timber;</li> <li>(C) glue-laminated timber;</li> <li>(D) laminated strand lumber; and</li> <li>(E) laminated veneer lumber.</li> </ul> <p><b>(4) Program</b>  The term "Program" means the <del>Community Wood Energy and Wood Innovation Program</del><u>Community Wood Facilities Program</u> established under subsection (b).</p>	
<p><b>(b) Competitive grant program</b>  The Secretary, acting through the Chief of the Forest Service, shall establish a competitive grant program to be known as the "Community Wood Energy and Wood Innovation Program".</p>	<p><b>(b) Competitive grant program</b>  The Secretary, acting through the Chief of the Forest Service, shall establish a competitive grant program <del>to be known as the "Community Wood Energy and Wood Innovation Program"</del><u>to be known as the "Community Wood Facilities Program"</u>.</p>	
<p><b>(c) Matching grants</b></p> <p><b>(1) In general</b>  Under the Program, the Secretary shall make grants to cover not more than 35 percent of the capital cost for installing a community wood energy system or building an innovative wood product facility.</p> <p><b>(2) Special circumstances</b>  The Secretary may establish special circumstances, such as in the case of a community wood energy system project or innovative wood product facility project involving a school or hospital in a low-income community, under which grants under the Program may cover up to 50 percent of the capital cost.</p> <p><b>(3) Source of matching funds</b></p>	<p>No change</p>	

<p>Matching funds required pursuant to this subsection from a grant recipient shall be derived from non-Federal funds.</p>		
<p><b>(d) Project cap</b>  The total amount of grants under the Program for a community wood energy system project or innovative wood product facility project may not exceed—  (1) in the case of grants under the general authority provided under subsection (c)(1), \$1,000,000; and  (2) in the case of grants for which the special circumstances apply under subsection (c)(2), \$1,500,000.</p>	<p><b>(d) Project cap</b>  The total amount of grants under the Program for a community wood energy system project or innovative wood product facility project may not <del>exceed \$5,000,000.</del><del>exceed—</del>  <del>(1) in the case of grants under the general authority provided under subsection (c)(1), \$1,000,000; and</del>  <del>(2) in the case of grants for which the special circumstances apply under subsection (c)(2), \$1,500,000.</del></p>	
<p><b>(e) Selection criteria</b>  In selecting applicants for grants under the Program, the Secretary shall consider the following:  (1) The energy efficiency of the proposed community wood energy system or innovative wood product facility.  (2) The cost effectiveness of the proposed community wood energy system or innovative wood product facility.  (3) The extent to which the proposed community wood energy system or innovative wood product facility represents the best available commercial technology.  (4) The extent to which the proposed community wood energy system uses the most stringent control technology that has been required or achieved in practice for a wood-fired boiler of similar size and type.  (5)(A) The extent to which the proposed community wood energy system will displace conventional fossil fuel generation.  (B) Whether the proposed community wood energy system minimizes emission increases to the greatest extent possible.  (6) The extent to which the proposed community wood energy system will increase delivered thermal efficiency of the systems replaced.  (7) The extent to which the applicant has demonstrated a high likelihood of project success by completing detailed engineering and design work in advance of the grant application.  (8) Other technical, economic, conservation, and environmental criteria that the Secretary considers appropriate.</p>	<p><b>(e) Selection criteria</b>  In selecting applicants for grants under the Program, the Secretary shall consider the following:  <del>(1) The energy efficiency of the proposed community wood energy system or innovative wood product facility.</del>  <del>(2)(1) The cost effectiveness or market competitiveness of the proposed community wood energy system or innovative wood product facility.</del>  <del>(3)(2) The extent to which the proposed community wood energy system or innovative wood product facility represents the best available commercial technology.</del>  <del>(4)(3) The extent to which the proposed community wood energy system uses the most stringent control technology that has been required or achieved in practice for a wood-fired boiler of similar size and type.</del>  <del>(5)(4)(A) The extent to which the proposed community wood energy system will displace conventional fossil fuel generation.</del>  (B) Whether the proposed community wood energy system minimizes emission increases to the greatest extent possible.  <del>(6)(5) The extent to which the proposed community wood energy system will increase delivered thermal efficiency of the systems replaced.</del>  <del>(7)(6) The extent to which the applicant has demonstrated a high likelihood of project success by completing detailed engineering and design work in advance of the grant application.</del>  <del>(8)(7) Other technical, economic, conservation, and environmental criteria that the Secretary considers appropriate.</del></p>	
<p><b>(f) Grant priorities</b></p>	<p><b>(f) Grant priorities</b></p>	

<p>In selecting applicants for grants under the Program, the Secretary shall give priority to proposals that use the most stringent control technology that has been required or achieved in practice for a wood-fired boiler and—</p> <p>(1) would be carried out in a location where markets are needed for the low-value, low-quality wood;</p> <p>(2) would be carried out in a location with limited access to natural gas pipelines;</p> <p>(3) would include the use or retrofitting (or both) of existing sawmill facilities located in a location where the average annual unemployment rate exceeded the national average unemployment rate by more than 1 percent during the previous calendar year; or</p> <p>(4) would be carried out in a location where the project will aid with forest restoration.</p>	<p>In selecting applicants for grants under the Program, the Secretary shall give priority to proposals that use the most stringent control technology that has been required or achieved in practice for a wood-fired boiler and—</p> <p>(1) would be carried out in a location where markets are needed for the low-value, low-quality wood;</p> <p><del>(2) would be carried out in a location with limited access to natural gas pipelines;</del></p> <p><del>(3)</del><u>(2)</u> would include the <u>use or retrofitting (or both) of existing sawmill construction, use or retrofitting of forest products manufacturing</u> facilities located in a location where the average annual unemployment rate exceeded the national average unemployment rate by more than 1 percent during the previous calendar year; or</p> <p><del>(4)</del><u>(3)</u> would be carried out in a location where the project will aid with forest restoration.</p>	
<p><b>(g) Limitations</b></p> <p><b>(1) Capacity of community wood energy systems</b> A community wood energy system acquired with grant funds under the Program shall not exceed nameplate capacity of 5 megawatts of thermal energy or combined thermal and electric energy.</p> <p><b>(2) Funding for innovative wood product facilities</b> Not more than 25 percent of funds provided as grants under the Program for a fiscal year may go to applicants proposing innovative wood product facilities, unless the Secretary has received an insufficient number of qualified proposals for community wood energy systems.</p>	<p><b>(g) Limitations</b></p> <p><b>(1) Capacity of community wood energy systems</b> A community wood energy system acquired with grant funds under the Program shall not exceed nameplate capacity of <del>5 megawatts of thermal energy or combined thermal and electric energy</del><u>15 megawatts of thermal energy or combined thermal and electric energy.</u></p> <p><b>(2) Funding for innovative wood product facilities</b> Not more than <del>25 percent</del><u>50 percent</u> of funds provided as grants under the Program for a fiscal year may go to applicants proposing innovative wood product facilities, unless the Secretary has received an insufficient number of qualified proposals for community wood energy systems.</p>	
<p><b>(h) Funding</b> There is authorized to be appropriated to carry out the Program \$25,000,000 for each of fiscal years 2019 through 2023.</p>	<p><b>(h) Funding</b> There is authorized to be appropriated to carry out the Program \$25,000,000 for each of fiscal years 2019 through <del>2023</del><u>2029</u>.</p>	

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**This resource will be updated as final House and Senate legislative Farm Bill texts are released.**

This fact sheet is available electronically (with hyperlinks and endnotes) at [www.eesi.org/papers](http://www.eesi.org/papers).

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