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## Hearth, Patio & Barbecue Association's (HPBA) Report on the Size of the U.S. Biomass Hearth Appliance Industry

### ABOUT HPBA

Based in Arlington, Virginia, HPBA is the principal national industry association representing manufacturers, retailers, distributors, representatives, service firms, and allied associates for all types of hearth, barbecue, and patio appliances, fuels, and accessories, including solid fuel-fired home heating appliances (e.g. woodstoves, pellet stoves, hydronic heaters, and warm air furnaces). With 2,200 member companies, the association provides professional member services and industry support in education, statistics, government relations, marketing, advertising, and consumer education.

### BACKGROUND

To determine the number of jobs provided by the U.S. biomass hearth appliance industry, HPBA contacted manufacturers of biomass hearth appliances as well as all known (both HPBA members and non-members) retailers, distributors, manufacturers' representatives, servicers, and chimney sweeps. The manufacturer population is limited to manufacturers of wood and pellet stoves and inserts, hydronic heaters, and wood furnaces (i.e. forced-air furnaces). All of these product types are regulated by the EPA's New Source Performance Standards (NSPS) for New Residential Wood Heaters, New Residential Hydronic Heaters and Forced-Air Furnaces (80 Fed. Reg. 13672. (March 16, 2015)) ("NSPS"). Almost the entire industry is comprised of small businesses who serve rural communities.

### FINDINGS

HPBA estimates that the biomass hearth industry provides about **38,250 jobs** in the United States. Table 1 provides a breakdown of employment numbers by business type.

**TABLE 1. ESTIMATED U.S. BIOMASS HEARTH INDUSTRY EMPLOYMENT BY BUSINESS TYPE**

Business Type	Estimated U.S. Employment
Biomass hearth appliance manufacturers	6,200
Biomass hearth non-manufacturers (retail, distribution, manufacturers' reps, service/sweeps)	30,000
Wood pellet production	2,050
<b>Total</b>	<b>38,250</b>

## **METHODOLOGY**

A combination of primary data collection and comparative analysis from secondary data sources was used to calculate the estimated number of U.S. jobs potentially affected by the NSPS. For primary data collection, a non-scientific census was conducted between May 1, 2017 and May 30, 2017 asking hearth manufacturers and non-manufacturers to provide their employment figures (all employees on their payroll, both full-time and part-time) from 2016. Over 500 companies responded and represent a little over 12,000 jobs.

Establishing estimates for the entire categories required filling in the gaps on census non-respondents as well as companies not contacted.

***Calculating Manufacturer Employment Levels:*** Average manufacturer employment was calculated using HPBA dues class data. HPBA membership dues classes are determined for each HPBA manufacturer member by a company's reported calendar year sales in North America (U.S., Canada, Mexico). Non-respondent manufacturers were assigned the average as their estimate based upon their HPBA dues class.

From a secondary resource analysis perspective, for manufacturers, an average number of employees per unit shipped were calculated using data collected under HPBA's hearth shipment program cross referenced with US Census' Annual Survey of Manufacturers report. This was then cross referenced with the HPBA employment census to calculate the total size of the hearth manufacturing industry. This combination of values was input to create a manufacturer employment estimate.

***Calculating Non-Manufacturer Employment Levels:*** Similar secondary data for the non-manufacturing jobs was collected using Dun and Bradstreet employment and installation information by relevant NAICS codes, National Retail Federation employment and industry data, and Bureau of Labor and Statistics data. Cross referencing these data sets with submitted employment figures and using created estimates for non-responding companies by calculated average employment by business type (distributors, manufacturers' representatives, retailers, and servicers/sweeps) yields the total non-manufacturer employment figure.

***Source of Pellet Production Employment Figure:*** Pellet production job figures come from Energy Information Administration (EIA). EIA collects pellet production employment information numbers along with pellet production volume information from pellet fuel manufacturers as part of the Densified Biomass Fuel Report (Form EIA-63C) which was first launched in January 2016.