



Maine Forest Products Council

The voice of Maine's forest economy

Testimony in Support of LD 1408

“An Act to Reduce Maine’s Dependence on Fossil Fuels and Carbon Footprint for Energy Production Using Waste Wood Fuel”

April 13, 2023

Patrick Strauch, Executive Director

Senator Lawrence, Representative Ziegler and members of the Committee on Energy, Utilities and Technology, I’m Patrick Strauch, the Executive Director of the Maine Forest Products Council. I’m here on behalf of the Council today to present testimony in support of LD 1408, “An Act to Reduce Maine’s Dependence on Fossil Fuels and Carbon Footprint for Energy Production Using Waste Wood Fuel.”

Before discussing the merits of this bill, I’d first like to provide some history for context. In June of 2019, Governor Mills signed a bill into law – LD 1679 – to establish the Maine Climate Council. This law, which received strong support from the Legislature, assembled a group of scientists, industry leaders, bipartisan local and state officials and citizens to develop a four-year Climate Action Plan with a goal of setting Maine on course to decrease carbon emissions by 45% by 2030, and to achieve carbon neutrality by 2045. I was honored to be a member of the Maine Climate Council, serving as a voice for the forest products industry.

The four-year Climate Action Plan titled “Maine Won’t Wait” was released in December of 2020. This report was our state’s first comprehensive scientific and technical assessment of climate change in a decade. Under the “Strategy C, Reduce Carbon Emissions” section of the report, you will find support for combined heat and power facilities under goal #4 (see attached).

This goal states, “Maine should continue to support the growth of highly efficient CHP facilities, including through the long-term contracting authority of the Public Utilities Commission.” The section also states that, “CHP avoids energy waste, reducing the need for additional energy consumption to accomplish heating and industrial processes. CHP can both reduce Maine’s emissions and support existing industrial businesses and large institutions with lower operating costs.”

CHP supports a healthy market for every part of the tree, including logs, pulpwood, biomass energy, bark, sawdust and slab wood chips while providing base-load power that can supplement intermittent sources like wind and solar. This power can be brought online and dispatched efficiently with pricing anticipated to be below net energy billed projects.

Companies represented on the MFPC Board

A & A Brochu Logging
American Forest Mgmt.
Baskahegan Co.
BBC Land, LLC
Columbia Forest Prod.
Cross Insurance
Family Forestry
Farm Credit East
Fontaine Inc.
H.C. Haynes
Huber Resources
INRS
J.D. Irving
Katahdin Forest Mgmt.
Key Bank
Kennebec Lumber
LandVest Inc.
Louisiana Pacific
Maibec Logging
ND Paper
Nicols Brothers
Pingree Associates
Prentiss & Carlisle
ReEnergy
Richard Wing & Son
Robbins Lumber
Sappi North America
Southern Maine Forestry
Stead Timberlands
St. Croix Tissue
St. Croix Chipping
TD Bank
Timber Resource Group
Timberstate G.
Wadsworth Woodlands
Wagner Forest Mgt.
Weyerhaeuser
Woodland Pulp

As a result of the Climate Action Report, the 130th Legislature worked with the Governor's Energy Office (GEO) to enact LD 1202, "An Act to Establish a Wood-fired Combined Heat and Power Program." This bill, which received unanimous support from the Energy, Utilities and Technology Committee, built a program based on the Community Renewable Energy Pilot Program that helped in the development of CHP projects for Robbins Lumber in Searsport (Georges River) and Linkletter in Athens (Athens Energy). The bill originally proposed a program size of 50 MW total with qualifying projects limited to 3-10 MW in size, however the GEO wanted to take a more conservative approach, so the EUT Committee ultimately supported a 20 MW program with project sizes ranging from 3-8 MW.

The PUC is currently reviewing procurement bids now (there was interest in the program), and we will see which awards will be made shortly.

LD 1408 anticipates a successful procurement process. It illustrates the demand for these types of projects and builds upon the goals of the *Maine Won't Wait Climate Action Plan* by increasing the program size to 40 MW and the size of qualifying projects to 3-20 MW. The Council is supportive of increasing the program/qualifying project sizes because sawmill production has increased in recent years and, in light of shrinking markets for residuals, we believe the investment of ratepayer funding can provide a very stable energy supply based on a sustainable fuel source.

Finally, it should be mentioned that a recent report by the PUC titled "Community Based Renewable Energy Pilot Program Report" found CHP-generated biomass to be competitive. With natural gas prices driving up energy cost by about 77%, the two wood biomass projects that are part of the original program are producing savings for consumers of \$1.7 million, instead of an economic development subsidy.

For these reasons, the Maine Forest Products Council urges your support of LD 1408. Thank you for your consideration. I would be happy to answer any questions the committee may have.

can encourage mitigation of these emissions through innovation. Some of these same emissions sources may provide unique opportunities for energy production — including biodigesters or landfill-emissions-capture technologies.

Many industrial facilities in Maine have already made these transitions in recent decades. Other opportunities, such as shifting to renewable fuels (e.g., hydrogen-rich fuels produced using renewable energy electrolysis or utilizing carbon capture and sequestration) are not yet widely commercially available or cost-competitive, but they may be in the future. In the longer term, investment in new technologies will support emissions reductions, create new jobs, and secure current industries and employment by making Maine's industrial sector more competitive.

In an effort to stem future industrial emissions increases and find innovative pathways for the long-term reductions required for Maine's 2050 goals, the Maine Climate Council should create an Industrial Task Force of Climate Council members with interest and expertise, as well as outside stakeholders, to focus on solutions to address industrial emissions over time, while supporting continued economic growth in this important sector.



Encourage Highly Efficient Combined Heat and Power Facilities

- Analyze policies, including the potential for long-term contracts, needed to advance new highly efficient combined heat and power production facilities that achieve significant net greenhouse gas reductions.**

CHP, sometimes referred to as cogeneration, is the production of both electricity and thermal energy at the same location of the energy consumption. Where typically the heat produced by electricity generation is lost to the air, CHP facilities utilize the heat byproduct for on-site activities, resulting in increased overall efficiency.

Highly efficient CHP facilities capture heat from electricity generation to provide steam or hot water for use in space heating and cooling, water heating, and industrial processes, thereby increasing overall facility efficiency and reducing emissions. CHP avoids energy waste, reducing the need for additional energy consumption to accomplish heating and industrial processes. CHP can both reduce Maine's emissions and support existing industrial businesses and large institutions with lower operating costs.

Maine sawmills and wood manufacturers, for example, that have installed boilers to provide steam for drying lumber are increasingly investing in CHP facilities that also generate power from the same wood fuel source. Technological advances are allowing smaller facilities the ability to install efficient burner technologies. These opportunities establish greater efficiencies in wood-derived energy and provide markets for mill waste that might otherwise be landfilled.

Maine should continue to support the growth of highly efficient CHP facilities, including through the long-term contracting authority of the Maine Public Utilities Commission.

For sawmills and paper mills that produce wood chips, sawdust, and residuals during their manufacturing process, the best option for this material may be a highly efficient combined heat and power facility. At Robbins Lumber (at right), a fifth-generation family-owned white pine sawmill in Searsport, a newly-installed combined heat and power facility handles the sawmill's residuals, while generating heat to dry lumber, heat buildings, and renewable electricity. This supports the mill's economic viability, adds value to lumber grown through sustainable forestry practices, and provides locally-sourced construction materials that sequester carbon for the long-term.