



Testimony of

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Before the Joint Standing Committee on Energy, Utilities and Technology to LD 585, An Act to Use Certain Regional Transmission Organization Payments for Beneficial Electrification to Reduce Electricity Rates

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Senator Lawrence, Representative Sachs, and members of the Joint Standing Committee on Energy, Utilities and Technology, my name is Dana Doran, and I am the Executive Director of the Professional Logging Contractors of the Northeast (PLC). The PLC is a regional educational non-profit organization that represents logging and associated trucking contractors throughout the Northeast.

As background, the PLC was created in 1995 in Maine to give logging and associated trucking contractors a voice in a rapidly changing forest products industry. As of 2021, logging and trucking contractors in Maine employed over 3,000 people directly and were indirectly responsible for the creation of an additional 2,500 jobs. This employment and the investments that contractors make contributed \$582 million to the state's economy. Our membership, which includes over 200 contractor members in the state of Maine and an additional 125 associate members, is responsible for more than 80% of Maine's annual timber harvest.

Thank you for providing me the opportunity to testify on behalf of our membership in opposition to LD 585, "An Act to Use Certain Regional Transmission Organization Payments for Beneficial Electrification to Reduce Electricity Rates", unless the bill is amended to add back in, "deposited in the Heating Fuels Efficiency and Weatherization Fund established in section 10119," language that is being proposed to be struck from the statute and also to ensure that funds are not spent expressly on electrification

While the PLC is not opposed to promotion of electrical alternatives, we do not feel the state should be picking specific winners and losers, in this case, only those that electrify heating sources and vehicles. Over the past five years or more, it seems that we are putting all of our eggs in one basket, and we feel the approach should be more diversified to incorporate the important natural resources Maine has to offer. This would not only cut costs but stimulate local economies.

It is unfortunate that in the most forested state in the country, after years of work to get modern wood heating systems, which are also carbon beneficial, incentivized for residential and

commercial use, wood does not receive the same promotion and acknowledgement as other heating sources.

It is no secret that Maine is a colder state than most and has a robust history of burning wood as a heat source. Wood is a carbon neutral fuel source and this sustainable fuel source can be recycled from fiber byproducts, rather than simply going to waste and creating the same greenhouse gas (GHG) through decomposition. According to The Maine Department of Environmental Protection's (DEP) 9th Biennial Report on Progress toward Greenhouse Gas Reduction Goals, it recognizes that due to the cyclic nature of forest sequestration wood products that are burned do not release any new GHG into the atmosphere vs. wood that decays naturally.

Not every home in Maine would benefit from a heat pump and an electric vehicle. There are many situations where the benefits of a modernized wood/pellet boiler would create more cost savings over the life of the product than heat pumps. Wood boilers/furnaces have a 30-year warranty, which would ensure decarbonization for that period of time, compared to a heat pump that has a 10-year projected lifespan and would need to be installed three times to levy the same life expectancy as a wood application. That is a dramatic difference in life expectancy of the products as well as waste generated by three appliances vs. one.

There has been a lot of work put into the development of modern wood heating systems. Further incentivization and marketing would have a huge impact on the market for the products and could solve some of the problems Maine loggers are seeing with down markets for timber byproducts. With all of the work done on technological upgrades and the proven efficiency of wood and pellet boilers, why are we not promoting these systems more? We have a great natural resource here in Maine in our forests, why not use them to their full potential?

Therefore, we are concerned that the changes proposed in this bill essentially support directing sources of funds and the attention of Efficiency Maine Trust solely on electrification. We feel that this is shortsighted and not in the interest of our industry, nor the dynamic needs of the Maine consumer.

Again, I ask that you please consider ensuring parity amongst the different heat and energy sources. Electrifying heating is not a bad thing, but it is not for every home in Maine and the state should not be pushing a one-size-fits-all approach.

Thank you for your time and consideration. I would be happy to answer any questions you may have.