



Maine Forest Products Council

The voice of Maine's forest economy

Testimony in Support of LD 1792 (as amended)

“An Act Regarding the Energy Policy of the State”

May 15, 2025

Patrick Strauch, Executive Director

Good afternoon, Senator Lawrence, Representative Sachs and distinguished members of the Energy, Utilities and Technology Committee. My name is Patrick Strauch. I am from Exeter, and I am testifying on behalf of the Maine Forest Products Council (MFPC) in support of LD 1792, as amended, “An Act Regarding the Energy Policy of the State.” We thank Senator Grohoski for sponsoring this important legislation and the Committee for the opportunity to provide testimony.

For 65 years, MFPC has been the voice of Maine’s forest economy, representing over 300 members across the forest products industry, including pulp and paper mills, sawmills, secondary wood processors, foresters, loggers, truckers, and commercial landowners sustainably managing more than 8 million acres of forestland. Our members, which include manufacturers in the medium, intermediate and large class rate structures, are integral to Maine’s rural communities and economy, so we favor spreading the stranded cost burden among all customer classes.

MFPC supports the amendment to LD 1792 because it implements the widely supported stipulation from the Public Utilities Commission (PUC) Docket No. 2024-001137, dated January 24, 2025. This stipulation emerged from negotiations among manufacturers, generators, and the Office of the Public Advocate, representing residential customers, to address stranded costs associated with Net Energy Billing (NEB). The stipulation shifted 18% of the NEB stranded cost (\$20 million) from the large/intermediate class to the small/medium class. This redistribution is split among thousands of customers, causing only minor increases for customers. By spreading the cost burden among more customers, this amendment relieves the significant burden on a few large mills that cannot carry such a large share of the cost. Generators who would pay more under the stipulation than the latest PUC Order are still paying less than the per capita distribution in the first PUC decision.

The LD 1792 amendment reflects this balanced compromise that establishes a more equitable stranded cost rate structure, which is critical for maintaining the financial health of Maine’s forest products industry.

Pulp and paper mills that are in the large class of energy consumers are vital to rural communities and the forest industry’s economic recovery. The closure of the Pixelle Mill in Jay contributed to a projected 10% reduction in economic output post-COVID. Rising (and unpredictable) energy costs from NEB make it harder for manufacturers to operate and deter new businesses from revitalizing shuttered facilities. These costs are having a tangible impact on our members and manufacturers statewide.

LD 1792, as amended, reflects a compromise to recoup stranded costs in establishing an equitable stranded cost rate structure that we feel is important for this committee to support. The Council also urges the EUT Committee to strongly consider the costs and benefits of this program, and to adjust accordingly. Thank you for your consideration on this complex, but important issue.