



**Testimony of Sappi North America in support of  
LD 698, "An Act Directing the Public Utilities Commission to Study the State Natural Gas Supply  
Pursuant to the Maine Energy Cost Reduction Act"  
Before the Joint Standing Committee on Energy, Utilities, & Technology  
March 8, 2023**

Good afternoon, Senator Lawrence, Representative Ziegler, and Members of the Joint Standing Committee of Energy, Utilities and Technology. Thank you for the opportunity to testify in support of LD 698, "An Act Directing the Public Utilities Commission to Study the State Natural Gas Supply Pursuant to the Maine Energy Cost Reduction Act."

I am Bob Dorko, a resident of Skowhegan, and the utilities and recovery manager at the Sappi North America Somerset Mill.

Sappi employs over 1000 people in Maine with two large industrial sites, one of which is the largest pulp and paper mill in the state, a research and development center in Westbrook and a shared services center in South Portland.

Sappi is in favor of LD 698, especially as proposed to be amended by the sponsor. Energy is a fundamental resource for the manufacturing at our facilities and at many others in the state. We strive to use as much renewable energy as possible. We rely on the ISO-NE grid for purchased electricity and the New England natural gas piping infrastructure to supplement our energy needs. The lack of natural gas pipeline capacity in New England is being felt powerfully by gas users; at SAPPI we see it in our electrical purchase pricing and in direct gas purchases for onsite use in our paper mill, pulp mill lime kiln, and boiler areas. Natural Gas is critical to SAPPI.

The Committee is well aware of the ISO-NE system reliability challenges on 24 December 2022. Considerable amounts of fuel oil had to be burned to stabilize the New England power grid. Adequate natural gas capacity would have resulted in lower CO2 emissions and lower costs for all users. SAPPI was able to export power onto the Central Maine Power system during this regional ISO-NE crisis, helping the overall grid and climate situation. We are all in this together.

LD 698 requires more effort to improve on natural gas capacity in Maine. Additional pipeline capacity should lower the cost of natural gas for New England users, hopefully making us comparable in cost and emissions with other regions of the United States. Disproportionate fuel costs puts Maine manufacturing in general at an economic disadvantage relative to the balance of the U.S. and at a disadvantage within their own companies in competing internally on capital investment decisions. We have announced a major investment at Somerset. Energy costs were a major consideration for the decision on our project. Fortunately for my counterparts at the mill, and the Mainers benefited by our operations such as in our supplier-related jobs, other factors made up for the energy disadvantage and we are doing the project at Somerset. We are very excited about this project but lowering energy costs will only increase chances of future investments.

Hopefully LD 698 catalyzes efforts that help with the natural gas situation for us and all Mainers.

Thank you for the opportunity to testify in support of LD 698.