



Maine Forest Products Council

The voice of Maine's forest economy

Testimony 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"

March 8, 2023

Patrick Strauch, Executive Director

Senator Lawrence, Representative Zeigler and members of the Committee on Energy, Utilities and Technology, my name is Patrick Strauch and I am here on behalf of the Maine Forest Products Council 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."

If passed, LD 698, as amended by Representative Foster, would direct the PUC to work with qualified and capable entities to build or expand interstate natural gas infrastructure either to or through the State of Maine, among other things. The Maine Forest Products Council, which represents the interests of an industry that relies heavily on natural gas as part of the fuel mix to operate machinery and electrify operations, is in full support of the bill sponsor's intent for the following reasons:

- Maine's forest products manufactures, which include pulp and paper mills, sawmills and other manufacturing facilities, are in direct competition with other heavily forested states, such as Wisconsin and Michigan.
- According to the U.S. Energy Information Administration, Maine's average electricity rate was \$11.75/kwh in December of 2022 for industrial users (up from \$10.67 in December of 2021). Michigan's rate was \$8.79 in December of 2022 (up from \$7.72 in December of 2021) and Wisconsin's rate was \$7.89 in December of 2022 (up from \$7.26 in December of 2021). Maine remains less competitive than both states before taking into account the 40% rate increase that took effect in January of this year.
- Maine's status as the 'end of the line' for natural gas makes us heavily susceptible to the volatile global fossil fuel markets.
- Natural gas continues to establish the market rate for electricity in Maine. Seasonal constraints placed on natural gas supplies have resulted in shortages and costs that can be ten times the price of the underlying commodity.
- The PUC has agreed that the shortage of pipeline capacity to Maine has a tremendous cost for Maine ratepayers each winter.

Maine has ambitious goals to expand the use of clean energy, including biomass, to power our grid. At the same time, we require a steady supply of stable baseload power sources to offset the intermittent nature of wind and solar power. Natural gas remains an important part of the mix, both for our industry and for all ratepayers. For these reasons, we urge your support of LD 698.

Thank you for your consideration.

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