



Our Business is Distinctive Potato Products

Senator Mark Lawrence
Representative Melanie Sachs

Jason Woollard
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Supporting LD257 – An Act to Eliminate the Practice of Net Energy Billing

I am the CFO and one of the owners of Penobscot McCrum located in Washburn Maine. Our family has been farming potatoes in Aroostook County Maine since 1886. In 2018 we made the decision to build a state of the art french fry processing plant that opened in June of 2020. We produce approximately 150,000,000 pounds of frozen potato products annually. We buy 15% of the States potato acreage from hard-working Maine Farmers and sell 98% of our product outside of the State of Maine. We are a Maine Family Business that invests in Maine and pays our taxes in Maine. I am writing in support of LD257 An Act to Eliminate the Practice of Net Energy Billing.

We operate in a very competitive market of frozen french fries. We are the fifth largest frozen fry manufacturer in North America, but we are also the smallest. The next competitor to us is approximately ten times the size of Penobscot McCrum. We have been successful in the french fry market due to our determination, quality and customer service. Unfortunately, those three factors will only get us so far in the market, we need to be cost competitive. The policies of Net Energy Billing and the way they are implemented and allocated are detrimental to our business. We are currently paying \$690,192 for a "Public Policy Charge" annually for our one facility in Washburn. This is unsustainable and it is threatening to destroy our business. Most of our competitors are located in either Canada or the Pacific Northwest. Both areas already have electrical costs that are a fraction of what we have to pay for having our factory in Aroostook County Maine. When you increase electricity costs another \$690,192, it creates a real challenge for McCrum to stay in business and employ 142 hard working Mainers.

Our family and employees are asking for your help. We need to keep Maine manufacturing, and our value-added natural resources cost competitive, and the current NEB program is making this impossible for us. We understand that there will be a cost to fix this program, but it will be much cheaper than losing Maine jobs and Maine businesses that drive the Aroostook County and Maine economy.

Sincerely,
Jason Woollard
Penobscot McCrum, LLC