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THE MAINE SENATE
130th Legislature

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**Testimony in Support of
LD 597, "An Act To Establish the Wood Energy Investment Program"**

**Presented to the Joint Standing Committee on Energy, Utilities and Technology
Tuesday, March 16, 2021**

Senator Lawrence, Representative Berry, and members of the Joint Standing Committee on Energy, Utilities and Technology. My name is Troy Jackson. I have the honor of serving as the President of the Maine Senate and of representing the good people of northern Aroostook County in Senate District 1. I am here today to present LD 597, "An Act to Establish the Wood Energy Investment Program."

I introduced this bill last session before this same committee and it was amended and reported out, but unfortunately died on the table when the Legislature adjourned due to COVID-19. I am here before you to introduce it again because I believe that this bill is vital to Maine's clean energy future.

Maine is a state that is rich in natural resources, especially forestland. About 90 percent of the state is forested and our forest acreage has been increasing since the middle of the 19th century.¹ Forestry has always been an important part of our rural economy, and history shows that loggers have sustainably harvested wood from our forests for centuries.

Over the past twenty years, a shift has occurred away from forest products manufacturing in Maine to production around the world. Five mills have closed since 2014² and others have announced layoffs in the past year.³ High energy costs are often cited as the reason for this shift.⁴ I am introducing this bill to help write the next chapter of Maine's logging and forest products industry. As the market changes, Maine must adjust to meet new demands. This is a way to support the hardworking men and women who need jobs and who take care of our forests, harvest timber, and have made Maine a leader in the forest products industry.

In 2016, the Legislature passed Public Law chapter 483, which allowed the PUC to enter into contracts for biomass electricity generation.⁵ Because Stored Solar couldn't fulfill its contract, \$5.5 million was left in an account dedicated to supporting jobs and supplying low-cost, green energy. It is time to put that money to good use in a way that reflects the intent of the Legislature.

¹ www.maine.gov/dacf/mfs/policy_management/forest_certification.html

² www.pressherald.com/2018/05/20/two-years-after-mill-closed-town-faces-uncertain-future/

³ www.pressherald.com/2020/07/09/sappi-to-lay-off-75-workers-in-westbrook-shut-down-paper-machine/

⁴ www.centralmaine.com/2014/10/03/energy-experts-energy-costs-helped-kill-bucksport-mill/

⁵ www.mainelegislature.org/legis/bills/bills_127th/chapters/PUBLIC483.asp

The bill that I'm presenting today strengthens the forest products industry, lowers energy costs, and increases the use of Maine wood products to generate energy. It also supports job creation and economic development in rural communities by encouraging entrepreneurial Mainers to make use of our sustainable forest resources to meet our growing energy needs. Under this bill, the new Wood Energy Investment Program would provide incentives and low- or no-interest loans to businesses that produce energy using biomass.

Decisions in other states to limit what types of energy meet their definition of renewable has put additional pressure on wood energy products in Maine. These generators don't just supply energy, they support hundreds of jobs in forestry, both at the facility itself and through the purchase of sawdust, bark and woodchips from sawmills – which provides a needed source of revenue for the sawmills.⁶ I hope you will once again recognize the importance of this industry to rural Mainers and the benefits for energy production that this bill can bring. I look forward to working with all of you to help pass this legislation into law. Thank you for your consideration.

⁶ www.pressherald.com/2016/02/21/wood-energy-plants-struggle-to-survive-and-save-jobs/