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JANET T. MILLS
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DIRECTOR OF GOVERNOR'S
ENERGY OFFICE

TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

**An Act To Establish the Wood Energy Investment Program
L.D. 597**

**GOVERNOR'S ENERGY OFFICE
March 16, 2021**

Senator Lawrence, Representative Berry, and Members of the Joint Standing Committee on Energy, Utilities and Technology (EUT): My name is Melissa Winne and I am the Energy Policy Analyst with the Governor's Energy Office.

The GEO testifies in support of L.D. 597.

This proposed legislation would establish the Wood Energy Investment Fund and create the Wood Energy Investment Program within the Efficiency Maine Trust. The funding for this program would come from any alternative compliance payments (ACP) made by competitive electricity providers to meet the thermal renewable energy credits (TREC) required through the Renewable Portfolio Standard. If compliance for the thermal component of the RPS is met through any ACP, these funds would provide incentives and low-interest or no-interest loans to new wood-derived thermal energy or cogeneration projects through this program established at Efficiency Maine Trust and in potential consultation with the Finance Authority of Maine. These funds will not be used towards refurbishment or maintenance of existing facilities.

The GEO supports the concept of establishing a Wood Energy Investment Program and the opportunities that would be made available in creating opportunities for Maine's wood-products industry for heating as well as cogeneration projects. Funding for this initiative is currently envisioned by requiring all potential TREC ACP to be utilized for this fund. Given the uncertainty of how much ACP funding will be available and the market dynamics of what is causing the market imbalance to require ACP, the GEO would recommend establishing some flexibility in determining how to best use that funding to support the TREC market, if it becomes available. Further, the GEO would suggest language ensuring that any project supported by this funding would meet the requirements of the TREC program.

The GEO is willing to work with the bill sponsor, stakeholders, and others to further refine this legislation and program proposal.

Thank you for your consideration and I welcome any questions.

A handwritten signature in cursive script that reads "Melissa Winne".

Melissa Winne
Energy Policy Analyst, Governor's Energy Office