



Testimony before the

Joint Standing Committee on Energy, Utilities and Technology

By Rob Wood, Director of Government Relations and Climate Policy

March 16, 2021

Re: LD 597 – An Act To Establish the Wood Energy Investment Program

Senator Lawrence, Representative Berry, and members of the Joint Standing Committee on Energy, Utilities and Technology, my name is Rob Wood and I am the Director of Government Relations and Climate Policy for The Nature Conservancy in Maine. I appreciate this opportunity to testify **in support of LD 597**, An Act To Establish the Wood Energy Investment Program.

The Nature Conservancy (TNC) is a nonprofit conservation organization dedicated to conserving the lands and waters on which all life depends. We have been working in Maine for more than 60 years with a focus on protecting land, restoring rivers and streams, rebuilding groundfish populations in the Gulf of Maine and developing innovative solutions to address climate change.

LD 597 would establish the Wood Energy Investment Program within Efficiency Maine to fund incentives and low- or no-interest loans to businesses, municipalities, educational institutions and nonprofit entities to promote the efficient use of wood energy using alternative compliance payments (ACPs) from the State's thermal renewable energy credit (T-REC) program.

The Nature Conservancy in Maine has been closely involved in efforts in recent years to address challenges facing Maine's forest products industry and to develop solutions that are good for Maine's economy, our forests and the climate. We served on the Legislature's 2016 Biomass Commission, participate in the Forest Opportunity Roadmap process (FOR/Maine), serve on the Maine Climate Council and collaborate regularly with partners and industry groups working on these issues.

In general, TNC supports right-sized bioenergy markets. We are especially supportive of small combined heat-and-power operations and high-efficiency automated wood heating systems that use mill residues, harvest residues and wood removed from forest systems to promote forest health. In these cases, substituting high-efficiency wood power and heat for fossil fuels may play a role in reducing greenhouse gas emissions.

Furthermore, we believe that right-sized, efficient wood energy systems can play an important role in supporting a robust forest economy and economic development in rural Maine, while reducing reliance on fossil fuels. Markets for efficient wood energy can help keep Maine's forests as forests and promote positive long-term stewardship of the forest resources that provide so many benefits to Maine's people and wildlife.

We also believe that the funding mechanism identified in LD 597 generally makes sense. In 2019, TNC supported LD 1494, which expanded Maine's Renewable Portfolio Standard requirements and created a thermal renewable energy (T-REC) program. Maine's T-REC program is designed primarily to support efficient wood heat and combined heat and power facilities, so directing T-REC alternative compliance payments back toward investments in efficient wood energy would help further the goals of the program.

Thank you for the opportunity to testify today, and I am happy to answer any questions now or in the future.