



Testimony to the Committee on Energy, Utilities and Technology On LD 1202, An Act To Establish a Wood-fired Combined Heat and Power Program

Date: 23 April 2021

Senator Lawrence, Representative Berry, and distinguished members of the Energy, Utilities and Technology committee, I am Christopher Nichols, raised in Aroostook county, resident of Bangor, Maine, and current president of the Aroostook Energy Association (AEA).

AEA supports LD 1202 and strongly urges the distinguished committee members to vote in support of LD 1202.

Aroostook Energy Association: You may not have heard of our organization. Aroostook county's large energy users felt we needed advocacy in matters such as transmission and distribution strategy, power rates, and power supply generation. We also needed a unified voice in legislative matters which affects all of Maine Public rate payers. It went from discussion to action when Houlton Water Company announced their plans to leave Maine Public by constructing a transmission line to New Brunswick for better rates. Therefore, in January 2017, founding members formed AEA, a non-profit membership organization. We currently have 13 members and are greater than 25% of Maine Public's average energy load. Our members employ approximately 2,300 well-paying jobs across Aroostook county. Jobs which range from agriculture, food processing, health care, and forestry products such as softwood and hardwood lumber, wood pellets, and amazing log houses. Now more than ever, rural regions in Maine, need employment security these companies provide. And as well all know, energy expenses, energy strategy, and energy planning are a key factor in sustainable employment.

LD 1202: I know your committee research and other testimonies will tell you on the advantages of CHP power. Which there are many. But I will try and stay out of the details and comment on strategy. *"What department, committee, or organization looks after the economic wellbeing of Aroostook County and other rural areas of Maine?"* It is not AEA's mission statement, but it could be our moto. We have asked this question many times and yet have not received an answer. Therefore, you must try and take care of yourselves. Mainers are good at this and Aroostook county is no exception. Forming AEA is part of this tribute and passing LD 1202 can be too. Wood fired biomass CHP, as is the case of LD 1202, is ideal for Maine Public's grid. Maine Public had roughly 85 megawatts (+/- 75% of Maine Public's total load) of stand-alone wood biomass generation. But after the loss of both facilities, Maine Public is now completely reliant on international generation sources via New Brunswick, Canada (source NMISA "Outlook" reports). Passage of LD 1202 and similar bills would help facilities take care of themselves like was done with Robbins Lumber and Maine Wood Pellets. Advantages are throughout the economic supply chain from the loggers and truckers to the mills by products to increasing the domestic generation which was lost. Facilities using CHP would have more forecastable energy expense for the facilities. This is important because is a concern with our members and existing manufactures but would be a concern with any future industry looking to locate in northern Maine. You allow managers to manage instead of reacting to uncontrollable factors.

Renewable resources: What is good for one renewable resource should be good from all renewable resources. AEA is proponent of renewable energy but, as with most things, conversion to renewable energy

CURRENT AEA MEMBERS

1. Cary Medical Center
2. Columbia Forest Products
3. Daaquam US
4. Huber Engineered Woods
5. Irving Forest Products
6. Katahdin Log Homes
7. Maine Woods Company
8. McCain Foods
9. Penobscot McCrum
10. Northeast Pellets
11. Northern Maine Medical Center
12. Pineland Farms
13. Portage Woods Products

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“What department, committee, or organization looks after the economic wellbeing of Aroostook County and other rural areas of Maine?”

Recently the Public Utilities Commission (PUC) did an excellent job outlining a starting point of the solar net energy billing (NEB) program. Specifically, when NEB contract (proposed or executed) reaches 10%, they will revisit and revise if necessary. Furthermore, the PUC has completed their report, *Maine Public Utilities Commission, Report of the Effectiveness of Net Energy billing in Achieving State Policy Goals and Providing Benefits to Ratepayers*. Published on November 10, 2020. In it they state, “NEB customers will receive a small portion of the value associated with their share of the facility (e.g., 10%-15%), while project developers or sponsors who will finance and construct the facilities will receive the remaining valued (e.g., 85% - 90%).” With Combined Heat and Power, 100% of the benefit will go to the Maine based facility versus the majority of the benefit going to a frequently non-Maine based developer. Also, with CHP, there will be quality power flowing to the facilities. Our members have stated that since the loss of the energy suppliers located on the west side of the Maine Public grid, issues with hertz are increasing.

In addition, solar penetration 1) is not base loadable 2) is not dispatchable 3) accelerates expenditures in the transmission and distribution to rates payers due primarily to the fact that is *inverter-based* energy as opposed to *inertial-based* (large spinning wheels). Establishing the grid to accept this amount of inverter-based supply will be expensive and, without storage, it is not distributable generation. Even with proper storage, assuming the technology exists, this continually increases expenses passed on to ratepayers. The PUC’s Effectiveness Reported stated that Versant’s forecasted T&D rate increase, due to solar penetration, would be 23%. AEA is currently an (late) intervener to Docket # 2020-00316 where Versant is requesting a 12.5% increase in distribution rates over the next two years for a combined total of 25%. When last checked, the Maine Public had around 90% to over 100% of solar supply (either executed or proposed). The point being is biomass energy, such as in LD 1202, is the only renewable energy resource that is inertial, base loadable, and distributed.

Last year there were two power outages within Maine Public where each time, 10,000 plus customers were out of power I believe for over a day. Currently all the power supply comes from east to west. Previously there was 45 megawatts w (roughly 40% of Maine Public average peak load) flowing west to east which could have kept folks going. There was another generator supplying approximately 40 megawatts in the ‘middle’ of the grid which could have also kept lights on, maintain health care, and continued production. CHP can be an opportunity to allow facilities to keep their own lights on and extra energy of course can be powered back to the grid.

In summary, we feel that LD 1202 would help us, help ourselves. It is a good for Aroostook County and the rest of Maine. AEA sincerely thanks you for this opportunity to testify in support of LD 1202.

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Presque Isle

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