



# Maine Forest Products Council

*The voice of Maine's forest economy*

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## Testimony in opposition to

**LD 204, "An Act to Reduce the Cost of Electricity by Removing the 100-megawatt Limit on Renewable Resources of Energy"**

**LD 371, "An Act to Expand Hydroelectric Development by Removing the 100-megawatt Cap"**

**LD 638, "An Act to Create Equal Opportunity Access to Clean Energy by Removing the 100-megawatt Limit on Clean Energy Sources"**

March 20, 2025

Patrick Strauch, Executive Director

Senator Lawrence, Representative Sachs, and member of the Energy, Utilities and Technology Committee, I am Patrick Strauch, Executive Director of the Maine Forest Products Council. I am providing testimony today in opposition to LDs 204, 371, and 638.

For 65 years, the Maine Forest Products Council has served as the voice of Maine's forest economy, representing more than 300 members from all facets of the forest products industry. Our members include pulp and paper mills, sawmills, secondary wood processors, foresters, loggers, truckers, large landowners and more.

The above-mentioned bills all have one purpose. They aim to remove the 100-megawatt cap source of electrical generation to qualify as a renewable resource for purposes of meeting the State's renewable energy requirements.

The Maine Forest Products Council opposes these bills as they would dilute the Maine REC market by allowing large hydropower projects outside of Maine to qualify for the credit. For years, Maine's RECs were essentially worthless until a limit was set almost two decades ago. If these bills were to move forward, I am certain we would revert back to an environment where these RECs would be of little to no value.

As some of our biomass plants and pulp mills shut down, Maine RECs became more valuable. Today, they are largely being served by recovery boilers and biomass facilities, providing an important source of revenue to keep these facilities viable. Qualifying for this revenue required capital investment for boiler modifications at each pulp operation that were made in good faith in order to receive projected REC revenues. Biomass plants also rely on REC market participation with a number of exciting new combined heat and power projects in the pipeline today. We should not penalize these facilities by weakening the expected REC market price.

Thank you for the opportunity to speak on this issue.