

**Testimony by ReEnergy Biomass Operations
in Opposition to LD 1431 (as proposed to be amended)
An Act Requiring the Public Utilities Commission to Adopt Rules Promoting Renewable Energy
April 20, 2023**

Senator Lawrence, Representative Zeigler and members of the committee, my name is James Cote and I am here today on behalf of ReEnergy Biomass Operations in opposition to LD 1431, An Act Requiring the Public Utilities Commission to Adopt Rules Promoting Renewable Energy, as proposed to be amended.

ReEnergy owns and operates two biomass facilities in Maine. ReEnergy Stratton, a 48-megawatt biomass facility located in Stratton, Maine. A portion of ReEnergy Stratton's electricity is sold to the adjacent Stratton Lumber mill, while the balance is supplied into the regional electricity grid.

The other is ReEnergy Livermore Falls, a 39-megawatt biomass power facility located in Livermore Falls, Maine. This facility was one of three existing plants that was awarded a contract by the Public Utilities Commission for Class IA resources procured pursuant to 35-A M.R.S. § 3210-G in 2020. In the first two years of that contract, the Livermore Falls facility provided \$41.5 million in in-state economic benefits over the first two years of its long-term power purchase agreement with Central Maine Power, according to a detailed report submitted to the PUC – this benefit has been 18 percent higher than the company estimated in its 2020 bid.

These two facilities provide critical outlets for the forest product industry to dispose of and beneficially use wood material that would otherwise have no market. They generate baseload renewable electricity using sustainably harvested logging residue and mill residue that is procured from approximately 100 large and small logging and wood processing companies and approximately 20 sawmills. In addition to the 48 full-time employees at the two sites, the operations of the two ReEnergy facilities are estimated to support an average of an additional 259 jobs per year through indirect and induced impacts.

The proposed amendment for LD 1431 is confusing and in some places contradictory, but appears to eliminate biomass as an eligible resource under Maine's Renewable Portfolio Standard, and further suggests that biomass is not defined as "naturally regenerative or certified green." This definitional category does not exist anywhere else in the renewable energy market and appears to just be an attempt to exclude biomass without justification.

ReEnergy strongly objects to the notion that woody biomass from Maine's forests is not naturally regenerative, and that biomass energy should not qualify as an eligible resource under Maine's RPS.

The U.S. biomass power industry uses organic fuels that have little to no other value. Examples of biomass fuel used in the United States include leftover debris from harvesting for wood products (i.e., tops and limbs) that is of poor quality and cannot be used to make other products; forest thinnings of small diameter trees to promote the healthy growth of trees in a stand; mill residue; and agricultural waste such as oat and rice hulls or nut shells. In all of these cases, biomass power is an outlet for disposing of organic material that could, in a best-case scenario, decompose and emit methane, a gas that is 28 times more potent than carbon over a 100-year timeline¹. In a worst-case scenario, these materials could contribute to a forest fire or be burned openly,² emitting much more carbon into the air than if they were used as fuel to produce electricity.

¹ <https://www.epa.gov/ghgemissions/understanding-global-warming-potentials>

² Springsteen et al. *Forest biomass diversion in the Sierra Nevada: Energy, economics and emissions*, July-September 2015, California Agriculture Vol. 69 Number 3.

Fuels used by biomass power facilities are already part of the carbon cycle. Whether they are used to generate electricity or they decompose on a forest floor, these materials have already consumed carbon dioxide through growth. The carbon dioxide that is released through power generation is more than accounted for by annual tree growth in the country. According to the U.S. Forest Service, carbon consumption through forest regrowth offset more than 11% of *total* GHG emissions in 2019.³

The Executive Branch and Congress recognize the carbon neutrality of biomass, and many peer-reviewed scientific studies have been published to support this view and we would be happy to provide them to the Committee. The U.S. Government has long used a life-cycle assessment to measure the carbon impact of biomass and other sources of electricity. From the Clean Air Act to the Renewable Fuel Standard, biofuels are evaluated on a life-cycle basis.

The Obama Administration recognized the considerable benefits of biomass power by including it as a compliance strategy in the Clean Power Plan. Under Obama, EPA Acting Assistant Administrator of the Office of Air and Radiation Janet McCabe, who is now EPA's Deputy Administrator, recognized these benefits in a memorandum about the role of biomass in the Clean Power Plan. In November 2014, she wrote: "Information considered in preparing the second draft of the Framework, including the SAB peer review and stakeholder input, supports the finding that use of waste-derived feedstocks and certain forest-derived industrial byproducts are likely to have minimal or no net atmospheric contributions of biogenic CO₂ emissions, or even reduce such impacts, when compared with an alternate fate of disposal."^{4 5}

Section 11 of the proposed amendment proposes a study on biomass that we believe is redundant of studies, stakeholder groups and other efforts that have already been conducted in recent years. We believe that the PUC's time and resources between now and January 15 of next year would be better utilized on the more pressing issues that it and the Legislature are focused on currently.

Maine is the most forested state in the country – nearly 90% of the state is forested. The forest products sector in Maine has successfully and sustainably stewarded that land for centuries, and the sector is a major employer in the state. The U.S. Forest Service, the Maine Forest Service and scientists at UMaine can attest to the sector's sustainable stewardship of our State's forest resources.

The state's forest products sector relies on biomass energy as an end-market for its residues, and those end markets help to keep forests as forests and support carbon sequestration. LD 1431 as amended proposes dramatic and damaging changes to Maine's RPS and forest products industry on short notice. In a state with millions of acres of sustainably managed forests it only continues to make sense that we allow ourselves the ability to utilize biomass as a renewable and local energy resource.

We urge the committee to vote ought not to pass and would be happy to provide information for the work session at your request. Thank you for your consideration.

³ <https://www.nrs.fs.fed.us/pubs/62418>

⁴ EPA's Addressing Biogenic Carbon Dioxide Emissions from Stationary Sources, Janet McCabe, Nov. 14, 2014, found at <https://archive.epa.gov/epa/sites/production/files/2016-08/documents/biogenic-co2-emissions-memo-111914.pdf>

⁵ <https://www.nrel.gov/research/re-bioenergy.html>