

**Commission to Study the Economic, Environmental and Energy Benefits of the
Maine Biomass Industry**
Recommendations provided to the Commission at the August 2, 2016 meeting

Presenter Recommendations

Tim Schneider – Office of the Public Advocate

- Principles to evaluate renewable energy policy proposals:
 - Clearly defined goals
 - Necessary first step in deciding which policy is the best means to achieve that goal.
 - How will we know if our policies have succeeded?
 - Provide guidance to administrative agencies in implementing policy.
 - Targeted
 - Spend what we need to achieve our stated goals and no more.
 - This has implications for both program structure and duration.
 - Equitable
 - Ensure that those who pay the costs also receive the benefits and vice versa.
 - Factors to consider: geography, customer class, usage and income.
 - Sustainable
 - Provide path to transition away from government support, but enough certainty to enable market transformation and avoid boom/bust cycle.
 - Understand magnitude of risk and cost trend over time, and include appropriate controls.
 - Structure programs to allow us to learn from experience and build on success.

There is a question about whether renewable energy credit (REC) markets actually solve certain problems because of the instability of REC prices (which also makes it difficult to make an investment).

Michael Stoddard – Efficiency Maine Trust (EMT)

- Combined heat and power (CHP) plants is an area of growth. You need the right situation, but there is a lot of opportunity.

Dana Doran – Professional Logging Contractors (PLC) of Maine

- Create a biomass energy policy that fits within the State’s comprehensive energy plan.
- Enact Renewal Portfolio Standards (RPS) reform:
 - Create a thermal class similar to MA and NH to incentivize increased biomass use for thermal.
 - Extend RPS targets for Class I RECs beyond 2017
- Amend laws to enable/encourage co-located systems that cross public rights-of-way.
- Enact a policy that encourages net metering/microgrids and distributed generation.
- The Public Utilities Commission (PUC) or Maine Governor’s Energy Office should conduct a holistic analysis on the cost/benefit of biomass for electric and thermal – both current and future.

- Create incentives for new CHP investment and district heating.
- Support of biomass in other New England RPS programs.
- Create incentives for fuel switching for thermal in commercial, industrial and institutional [markets].
- Promote local wood = local good. Similar to Maine’s Get Real Get Maine campaign.
- Circulate 90% of money spent on heating within the economy rather than exporting it.

Bill Bell - Maine Pellet Fuels Association

- Obtain Maine Forest Service/Governor’s sign-off on US Forest Service State Wood Energy Assistance Team Cooperative Funding grant (US Forest Service announced approval on May 13, 2016) – approximately \$130,000.
- Consideration by EMT to increase the incentive payment to homeowners installing approved pellet boilers – from the current 30% to 40%.
- Investigate whether the Maine Department of Education is structuring financial support to Maine schools in a way that strongly encourages conversion to biomass heat. (In VT, 30% of public schools are heated with wood.)
- Revise Maine’s REC legislation so that credits are given for use of thermal biomass (most important recommendation of our association).
- Ideas and support for a “Heat Local” campaign among Maine residents.
- Encourage Maine’s Congressional delegation for continued support of the BTU Act. The proposal would provide thermal biomass with the same federal tax incentives afforded to wind, solar and other renewable energy systems.

Bill Carlson – Carlson Small Power Consultants

- Maine’s biomass power industry could be an integral part of Maine’s Federal Clean Power Plan (CPP) compliance, particularly in subsequent rounds.
- Create a biomass set-aside within Maine’s RPS
- Create a thermal REC for biomass CHP systems
- Solutions should encourage industry to move from standalone model to CHP model
- Solutions need to be long-term
- Do not create windfalls for existing plants
- Whatever solution needs to be at the lowest cost to government and ratepayers

Mark Thibodeau and Nathan Hebel – ReEnergy

- Legislation and regulatory policy encouraging behind-the-meter configurations/microgrids
- Enable co-located systems that need to cross public rights-of-way
- Create economic development incentives for co-location; focus efforts on marketing properties adjacent to stand-alone biomass power plants
- Update Maine RPS
 - Create thermal class
 - Extend RPS targets beyond 2017
- Encourage inclusion of biomass in other New England RPS program

Patrick Strauch – Maine Forest Products Council (MFPC)

- Create energy campuses for 40 MW facilities and attract manufacturing businesses to these sites.
- Upgrade existing biomass plants to be more efficient and look to CHP systems
- Invest in technologies to meet changing renewable energy requirements.
- Encourage development of smaller CHP applications connected to public and private institutions and wood manufacturers.

Donna Cassese – Maine Pulp and Paper Association

- Support improved markets for biomass – good for forest management, landowners, loggers and Maine’s economy
- Remember that pulp and paper mills purchase and consume biomass fuel, so the “Maine Biomass Industry” is larger than standalone biomass power plants and pellet mills
- Solutions need to be for the entire industry vs. supporting one segment at the expense of another
- Maine’s pulp and paper mills are operating in a very competitive environment. Any action that increases energy costs will have a negative impact on the competitiveness of our pulp and paper mills.

Tom Doak – Small Woodland Owners Association of Maine (SWOAM)

- Keep some kind of transition – need to find some new capacity for softwood biomass.
- Encourage/support/enhance combined heat and power systems.

Charlie Niebling – Innovative Natural Resources

- Recognize thermal potential.
- Ensure policy parity for electric and thermal.
- Do not change REC/RPS policy every year.
- Incentives for the demand side
- Performance incentives to lower operating costs – reward best technology.
- Get State Wood Energy Team operating; \$250K funds available from USDA.

Public Recommendations

Ernest Grolimund - Green Church

- Opposed to all combustion energy
- Poses threats, such as air pollution and climate change
- Biomass energy does not protect health, safety and welfare
- There is no safe smoke

Ed Miller – American Lung Association

- Look to other markets besides combustion for wood waste

Nick Bennett – Natural Resources Council of Maine (NRCM)

- Encourage thermal/combined heat and power