

**Sustain Mid Maine Coalition  
Climate Change Public Policy Team  
Meeting Minutes  
May 20, 2013**

Meeting started at about 6:40 p.m. at the Waterville Public Library. Members present: Jane Edwards, Elery Keene, Tom Tietenberg, Kate Newkirk, Jennifer Kierstead, Bob McLaughlin, and Dick Thomas. Dick Thomas was only able to stay for about 15 minutes. Ken Fletcher was also present for the purpose of telling the group about the proposed natural gas pilot utility district to cover the densely developed parts of Waterville and Winslow.

Motion by Kate, seconded by Tom, to approve the minutes of the March 25, 2013 meeting and the April 22, 2013 meeting. Motion approved unanimously.

Ken Fletcher spoke at some length, telling the group about the proposed natural gas pilot utility district to cover the densely developed parts of Waterville and Winslow. Some of the points will be mentioned below.

A natural gas pipeline was constructed from Nova Scotia through Maine to Portland, Boston and beyond in 1995 or thereabouts. While it was contemplated at the time, this pipeline did not connect with potential large users of natural gas including Huhtumachi in Waterville and Fairfield, Scott Paper Company in Skowhegan, and Madison Paper Company in the town of Madison. At that time the price of natural gas was only a little less than the equivalent price of petroleum for these businesses.

These paper mills, and other businesses such as these in Maine, generally have used petroleum as their primary fuel to produce energy for their manufacturing processes. This petroleum produces a relatively high amount of sulfur and carbon dioxide, which goes off into the air through the smokestack. If they could convert to natural gas they would produce only about 50% of the amount of sulfur and carbon dioxide that they do now. Their discharges into the air would be much cleaner, and less costly, contributing less to the problem of global climate change due to carbon dioxide.

The Energy Team of the Sustain Mid Maine Coalition has looked into the possibility of forming a nonprofit utility district to distribute natural gas to many businesses smaller than these three mentioned above and also to those homes located in the densely developed parts of Waterville and Winslow. The municipalities of Waterville and Winslow asked the Maine legislature to authorize formation of such a district.

The two companies competing to build pipelines to supply natural gas to this area are Summit and Maine Natural Gas. Summit reached contract agreements Huhtumachi, Scott Paper Company, and Madison Paper Company. Maine Natural Gas has not.

When the Energy, Utilities, and Technology Committee of the Maine Legislature had a public hearing on the idea of a Waterville Winslow utility district to distribute natural

gas, a representative of the Summit company spoke strongly against it. It seemed unlikely that the legislature would approve this legislation as presented. So the Energy Team of the Sustain Mid Maine Coalition decided that it would be best to change the wording of the proposed district organization so that instead of owning pipelines for distribution of natural gas in the area the district would be authorized to negotiate prices for natural gas in the districts service area and also encourage private businesses and homeowners to convert to the use of natural gas to heat their businesses and homes. The Summit company would own the pipelines for distribution of natural gas in this area.

The one time conversion cost for homes to change their existing furnaces from being able to use petroleum based fuel oil to being able to use natural gas is estimated to be about \$5000. The Summit company is willing to help customers there this cost. The district would also seek to find money to help homeowners and businesses bear this cost, and also to weatherize their buildings so as to reduce the amount of energy needed to heat their buildings. It is estimated that this could work out very well if 2700 residences, 20 large businesses, and 200 small businesses were to convert to using natural gas, in addition to the three large users.

This should significantly reduce the amount of carbon dioxide placed into the atmosphere from heating homes and businesses. It would also be far less costly than using petroleum-based fuel oil to heat these homes and businesses.

One potential source of money that could be used to reduce the cost of conversion of furnaces might be some of the TIF (tax increment financing) money being sought from municipalities through which the pipes travel. Some of this TIF money would go to the Summit company, but some of it could be in a fund available to the municipalities. Either such entities could contribute some of this money to the Waterville Winslow natural gas district fund to pay staff to promote weatherization and conversion of furnaces so that they can use natural gas as a fuel.

In response to a question, Ken explained that the natural gas that would be used to serve the three large industries, the smaller businesses, and the homes, would come from Canada, not from the natural gas fracturing operations in New York and Pennsylvania that we have heard about.

A new pipeline would be constructed connecting with the existing natural gas pipeline in Windsor, Maine. It would go north to Augusta and Winslow on the east side of the Kennebec River. And Winslow it would cross the Kennebec into Waterville. It would go through Waterville, Fairfield, and Skowhegan to reach the three large businesses that will be the largest users of natural gas in the region. Summit would build smaller pipelines to distribute natural gas to the other businesses and homes. The first such pipelines will probably go to large users such as the hospital's located in Waterville and Skowhegan. At the same time smaller nearby users would also be connected.

Some members of the committee expressed concern about this plan because they would prefer one that would help homeowners and business people to convert directly to

sources of heat energy that would not come from a fossil, such as solar and geothermal. There was appropriate discussion in which Ken Fletcher answered several other questions.

The Energy, Utilities, and Technology Committee of the Maine Legislature is currently discussing an Omnibus Energy Bill in work session. This could affect several things of interest to the members of the Climate Change Public Policy Team.

The Environmental Committee of the Maine Legislature is still in the process of dealing with LD 825, as amended. This legislation would continue the study of the effect of climate change on the state of Maine and its municipalities that was done before January, 2012. We think that the recommendations that would be developed as a result of one more year of work would be very healthy to all of us. The current plan seems to be to involve pretty much the same state agencies and nonprofit organizations that were involved during the initial study to develop more specific recommendations of how to deal with the issues defined in the first study. It would not be led by the Maine Department of Environmental Protection, but some other entity, perhaps one of the nonprofit organizations.

LD 1085 is a feed in tariff bill. It is expected to be carried over for further consideration in the next session of the legislature.

LD 1365 would form a new committee with broader participation to study ways to improve bus transportation systems throughout the state and identified ways to fund those improvements.

The Joint Standing Committee on Energy, Utilities, and Technology is proposing to incorporate several proposed pieces of legislation into a group to be studied by a committee during the coming summer and make a report to the legislature in early January, 2014. It is their recommendation that the members of this special committee would consist of members of the Joint Standing Committee on Energy, Utilities, and Technology. They believe that they all need to spend more time understanding the issues and developing good proposals for what could be best done about them. They would hold hearings in various places around the state relating to alternative energy and access to it.

The next meeting will be June 24, 2013, at 6:30 PM at the Waterville library.

Respectfully Submitted,  
Elery Keene