

**STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

IN THE MATTER OF

Shawmut Hydroelectric Project)
Water quality certification application)
#L-19751-33-I-N)

**IECG COMMENTS IN RESPONSE TO THE MAINE DEPARTMENT OF MARINE
RESOURCES**

Industrial Energy Consumer Group (“IECG”) provides these comments in opposition to the Maine Department of Marine Resources’ proposal, included in its January 3, 2022 comments in this proceeding, to add unproven “nature-like” fish passage to the Shawmut Hydroelectric Project (“Shawmut”). IECG supports relicensing Shawmut, without conditions that would jeopardize existing water levels or threaten its economic viability, due to its economic and energy importance to the State of Maine.

Restoring Atlantic salmon to the Kennebec River upstream of Shawmut is a worthwhile endeavor. However, salmon restoration is far more powerfully affected by factors beyond the Kennebec River than by Shawmut and it should not be pursued here at the expense of the Sappi Somerset Mill (“Sappi”). Sappi relies on the Shawmut impoundment to provide water for its operations and safety, with no realistic alternatives available. Considerable weight must be given to Sappi’s existing circumstance in the context of assessing the impacts of any proposed changes to Shawmut, including the addition of fish passage or removal of the dam. Likewise, proposed changes to Shawmut should thoroughly account for energy impacts in Maine, including related to costs, reliability, renewable energy laws, and climate mitigation efforts.

IECG was formed in 1985 as an incorporated association under Maine law to represent Maine industrial energy consumers and consumer-generators before state, federal, and regional regulatory, legislative, and congressional bodies on energy-related issues. Since 1985, IECG has participated in hundreds of regulatory proceedings affecting the price, diversity, origins, reliability, and effects of Maine’s energy supplies. IECG works to diversify the sources and lower the costs of energy in Maine and New England, including electricity, through well designed and monitored competitive energy markets that benefit energy users and the environment. Recently, and increasingly, IECG has focused on Maine’s efforts to mitigate climate change, advocating for beneficial electrification, *i.e.*, decarbonizing Maine’s economy by electrifying fossil fuel uses in the transportation and heating sectors with an increasingly renewable electricity supply that remains affordable and reliable. Low-cost, reliable electricity supplies will encourage the shift to heat pumps and electric vehicles, which will immediately reduce emissions and create the foundation to strategically eliminate fossil fuels from the electric mix. High costs and low reliability will discourage, or prevent, beneficial electrification at the pace and scale necessary to efficiently reduce climate emissions consistent with Maine’s climate laws.

In this regard, IECG supports cost-effective large solar and wind generation and the transmission infrastructure necessary to unlock it, while valuing the low-cost reliability provided by existing hydroelectric resources. Particularly, IECG values the ability of hydroelectric resources to store energy, balance the intermittency of renewables over various timescales, and reliably provide electricity, with no marginal emissions, at times of high electric grid demand and emissions. These valuable attributes of existing hydroelectric resources, which unequivocally support Maine's climate mitigation efforts, cannot be reasonably provided by other renewable resources in a cost-effective or timely manner. Please visit www.getmaineclimateright.com for more information about IECG and its strategy.

Based on IECG's understanding of Sappi's operations, and its local and statewide economic impacts, IECG must oppose (1) removal of Shawmut or (2) the addition of a "nature-like" fishway passage ("NLFP") without significant additional information regarding its water-level impacts and assurances that such impacts will not harm Sappi's operations. IECG concurs with the TRC letter of April 27, 2022, which concludes that "[r]emoval of the Shawmut dam would have devastating effects on the Sappi mill" and that NLFP is "unproven technology with unknown fish passage efficiencies" construction of which could cause fluctuations in impoundment levels damaging to Sappi.

With no other reliable sources of enough water, Sappi withdraws almost 30 million gallons of water per day from the Kennebec River to operate its mill and maintain mill safety, using a water intake pump station that is approximately 10 feet below flashboard level at the dam and the typical impoundment elevation at the mill. Dam removal would cause water levels at the mill to drop well below the intake pump, leaving the Sappi without a viable alternative water source.

At this point, the risk associated with NLFP makes it equally devastating to Sappi as dam removal. From potential physical space constraints to lack of details on design and water level impacts to questions about fish passage efficiency, there is only unacceptable uncertainty surrounding the proposed NLFP. IECG cannot support such a proposal, given the importance of Sappi to the local and state economies.

Beyond impacts to Sappi and the local and state economies it supports, proposed changes to Shawmut should be assessed in the context of their Maine energy impacts. Maine is currently undergoing a massive energy transition. Laws to mitigate climate change and supporting large-scale and distributed renewable energy generation and storage, beneficial electrification, and grid resiliency, coupled with fierce opposition to energy infrastructure, rising natural gas and oil prices, increasing standard offer electricity rates, increasing transmission costs, and utility transparency and accountability concerns have combined to create a perfect storm in Maine. Low-cost, reliable renewable energy resources, like Shawmut, are essential to both ride out the storm and create the foundation for beneficial electrification.

As IECG has consistently argued, beneficial electrification is the best climate mitigation strategy currently available to Maine. High electricity rates and unreliable electricity supply are antithetical to beneficial electrification. Removing or impairing the economic viability of existing low-cost and reliable renewable energy generation and essential storage and balancing capacity,

each as provided by Shawmut, must be assessed for harmful impacts on Maine’s energy transition and ambitious climate goals. If it is true that “Maine Won’t Wait”¹ to mitigate climate change, then its energy policies must not be regressive.

For these and other reasons, IECG respectfully supports relicensing of Shawmut without NLFP or other conditions that would threaten Sappi or disrupt Maine’s energy transition.

Dated at Augusta, Maine, this 3rd day of June, 2022.

INDUSTRIAL ENERGY CONSUMER GROUP



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¹ Maine Climate Council, *Maine Won’t Wait: A Four-Year Plan for Climate Action* (December 2020).