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# Biomass firm says it paid aggrieved loggers

## Stored Solar asks to rework \$13.4M state subsidy deal

BY DARREN FISHELL  
BDN STAFF

PORTLAND — The biomass generator receiving state subsidies to help preserve a market for loggers said it has settled an "invoicing dispute" with suppliers who claimed they were not being paid.

The company separately has asked regulators to rework the entire subsidy arrangement, taking its share of \$13.4 million in state biomass industry bailout funds at the end of the year, when it can prove fulfillment of its economic promises.

Dan Cashman, a spokesman for Stored Solar, said the request came to help allay concerns about the company "running a business on the back of a subsidy."

The company also sought this week to allay concerns about a claim that it hadn't paid some loggers since early February. Dana Doran, executive director of the Professional Logging Contractors of Maine, on Tuesday said that his association will not comment further on the topic to allow the company and regulators to sort it out.

Late Monday, Stored Solar Vice President William Harrington told regulators that a contract dispute with suppliers of its Jonesboro facility halted deliveries and caused the company to operate at less than half its capacity.

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"causing substantial loss of revenue."

Harrington said that dispute has since been resolved and that none of its invoices "are more than 15 days past due."

Regulatory reports show the company's Jonesboro plant operated at less than half capacity for almost all of February. Both its West Enfield and Jonesboro plants produced less power in February than in January.

"Most of Stored Solar biomass suppliers are in good standing," Harrington wrote in response to regulators' request for a financial update. "Nevertheless, a few biomass suppliers' failure to honor their contractual commitments has caused substantial harm to Stored Solar and its efforts to revitalize Maine's bio-economy."

The state has helped to back that broader effort, too, with the Maine Technology Institute giving Stored Solar \$50,000 in August 2016 to support its application for a federal loan guarantee that would backstop borrowing for a biorefinery in East Millinocket.

Maine's Department of Economic and Community Development also sponsored that loan application and a March reception in Washington, D.C., on behalf of the related effort, called the Maine Born Global Challenge, led by Synthesis Venture Fund.

Kimberly Samaha leads Synthesis. Her husband, Fahim Samaha, is a partner in Stored Solar through the U.S. affiliate of his French company Capergy SAS.

The Challenge hopes to create business parks around Maine biomass facilities, bringing in companies that could use biomass byproducts or benefit in some other way from being located nearby. The Challenge "pre-qualified" 11 companies that it plans to invite to join in planning projects this year.

An affiliate of Stored Solar, EMEP LLC, contends



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Stored Solar, which operates biomass generators in West Enfield (above) and Jonesboro, said Tuesday it has settled a problem with loggers who claim they had not been paid since early February for products delivered to the generators.

it had a deal to buy the East Millinocket property for \$1.75 million. The company said that project would be the "centerpiece" of its larger plan to restart some of the state's idle biomass plants.

Court records show EMEP and the current owner did not reach a settlement after a conference Monday with a federal judge in Portland.

## Subsidies get political

Stored Solar requested Tuesday that regulators allow it and Central Maine Power Co. to rework the contract that gives it a fixed subsidy per megawatt-hour of \$13.40, on top of the market price.

Harrington wrote that it's "misleading" to say that the subsidies are keeping its Jonesboro and West Enfield plants afloat. Covanta, a \$1.6 billion waste and energy company, shut the plants last year, saying wholesale market prices couldn't cover their costs.

Stored Solar wants to change when it gets the subsidy and, at the same time, be freed from a requirement to put up almost \$2 million as a security deposit to keep getting those payments.

The \$13.4 million subsidy program now requires companies to put up security deposits for a full year's worth of subsidy payments. Regulators can draw from those deposits at the end of the year if Stored Solar or ReEnergy don't meet their annual economic impact promises.

Harrington proposed

Tuesday that Stored Solar give back at least \$426,000 in subsidies it has gotten so far and, in return, get back its nearly \$1.2 million deposit. Harrington proposed the company get its subsidy at the end of the year, after it files its report on its economic benefits to the state.

That change, Harrington wrote, would not have affected the bidding process it went through to win the deal, alongside ReEnergy's Ashland and Fort Fairfield plants.

"Our contract amendment request should not have put any other bidder at a disadvantage since it is not a request that financially benefits Stored Solar," Harrington wrote.

The request comes after Gov. Paul LePage asked regulators to review those economic benefits more often than once a year, which would lower the security deposits required.

Peter Steele, a spokesman for the governor, wrote in an email that LePage did not make the request specifically on behalf of Stored Solar but to improve a law the governor signed but has criticized.

"The letter was about the logistics of the reimbursement process," Steele wrote. "An easier process to get the funds moving would be beneficial to helping achieve the goal of improving the biomass economy."

Steele wrote that the governor hopes freeing up that money would "allow the generators to make ad-

ditional investments in the state and make their long-term success more likely."

Maine Public Utilities Commission Chairman Mark Vannoy on Friday told LePage in a letter that the request should come from any of the parties to the contracts.

"While these contracts were developed over several months with many of the provisions originating in statute, if the contracting parties have good reason to reopen these executed contracts they are free to petition the Commission in this regard," Vannoy wrote. "If such a petition were received, we would adjudicate it following our normal process."

## Payments to date

Stored Solar said, as of March 24, that it has purchased more than 112,000 tons of biomass, employed 44 people and paid more than \$1 million in payroll and related taxes. The company's deal with the state calls for it to employ 42 people, purchase 500,000 tons of Maine biomass and make \$2.5 million in capital expenditures this year.

Through February, it received about \$426,000 in taxpayer subsidies.

Biomass generator ReEnergy will also get subsidies for its power, but it has not yet started receiving state payments.

Stored Solar said it has also put up almost \$1.2 million in a security deposit, required as a condition of getting the state subsidy. If Stored Solar or ReEnergy don't meet their employment or biomass purchasing goals, state regulators can take from those deposits.

Stored Solar was due on Monday to deposit another \$800,000 to cover subsidies over the second quarter of the year.

With its proposal Tuesday to give back all subsidies received so far, the company asked the PUC to drop that deposit requirement.

"Since the second quarter credit support is due imminently, and we do not wish to be in default, we would appreciate a prompt reply from your side," Harrington wrote.