



May 9, 2023

The Hon. Mark Lawrence, Co-chair
The Hon. Stanley Paige Zeigler, Jr., Co-chair
Joint Standing Committee on Energy, Utilities and Technology
State House
Augusta, Maine 04330

Re: Testimony in Support of L.D. 1830, “An Act to Advance Maine’s Clean Energy Goals”

Dear Sen. Lawrence, Rep. Zeigler, and members of the EUT Committee:

On behalf of Longroad Energy (Longroad), I am writing in support of L.D. 1830, “An Act to Advance Maine’s Clean Energy Goals,” sponsored by Senator Vitelli.

Longroad develops and operates wind and solar energy projects in markets across the United States. In Maine, we employ a dozen people including Maine Maritime Academy graduates and U.S. military veterans who operate hundreds of renewable energy power plants across the country from our Scarborough office. The Longroad team has been developing renewable energy projects in Maine for over 15 years, and during that time, we have invested over a billion dollars in developing approximately 700 megawatts (MW) of clean energy here in the state.

Competitive procurements are a proven and effective means of diversifying the energy mix, reducing pollution and climate gases, and driving investment in renewable power. In fact, over the past twenty years competitive procurements have almost certainly been the most successful public policy mechanism in bringing large amounts of carbon-free clean energy into northeastern electricity markets. And importantly, competitive procurements very similar to that proposed in L.D. 1830 have been beneficial for ratepayers.

The most recent procurements done by the Maine Public Utilities Commission (PUC) resulted in pricing that was significantly lower than wholesale market prices. In 2020, the PUC selected 17 projects ranging in initial price between 2.9 and 4.2 cents per kilowatt hour (kWh).¹ For the seven projects selected in the second tranche in 2021, initial pricing was in the 2.8 to 3.9 cent

¹ *Commission Selects Renewable Energy Projects to Help Achieve Maine’s Renewable Portfolio Standard Goals*, September 22, 2020.

per kWh range.² For comparison, the average wholesale energy price in Maine over the past year was 8.4 cents per kWh (March 2022-Feb. 2023), according to the Office of Public Advocate.

Looking back further, a PUC report³ issued to this committee in January shows clean energy procurement has been providing meaningful savings to Maine customers. Between December 2021 and November 2022, existing long-term contracts for renewable power from operating projects saved Maine ratepayers nearly \$14 million.

Longroad has two suggestions to further strengthen L.D. 1830. The concept of developing solar projects on lands contaminated by PFAS or other such substances has merit and is worthy of exploration. However, the approach in the legislation to encouraging development of renewables on contaminated lands is potentially complicated for the PUC to administer and for bidders to interpret. It may also be challenging for projects on affected lands to compete on price. Accordingly, Longroad suggests the committee consider alternatives like setting aside a modest percentage of the overall procurement target as a pilot program for projects to be deployed on contaminated lands, or creating a bonus mechanism for such projects within the PUC bid review process.

Secondly, Longroad believes that financial security requirements should be strengthened for projects selected through competitive procurement processes to increase the likelihood that they will be completed and deliver the benefits promised to Maine ratepayers and the state as a whole. The termination of a number of projects selected in recent solicitations underscores the need for additional measures to encourage the completion of projects. Thus, we suggest that language be added to L.D. 1830 to require selected projects to post at least \$40/kW in financial security within 30 days of contract execution, with higher amounts due at the PUC's discretion based on the particular risks of a winning bid.

Thank you for the opportunity to share our views on this bill.

Sincerely,



Chad Allen
Director, Development
Longroad Energy Holdings, LLC

² *Maine Public Utilities Commission Selects Renewable Energy Projects in Second Competitive Procurement*, June 29, 2021.

³ *Annual Report on Long-term Contracts*, January 3, 2023.