

Energy, Utilities, and Technology Committee

Jan 11, 2024

Bill: LD 1963 An Act Regarding the Future of Renewable Energy Transmission in Northern Maine

Testimony provided by Vaughn Hersey, Unity, Maine

Good afternoon, Senator Lawrence, Representative Zeigler, and distinguished Members of the Committee on Energy, Utilities, and Technology: My name is Vaughn Hersey, and I am testifying in opposition to LD 1963 for two main reasons. First, Section 1. 35-A MRSA Sub Section 3210-I, Sub 1, Paragraph D does not include sufficient language to ensure energy equity in the State's socially vulnerable counties and communities. "Northern Maine" has around 42,000 ratepayers who will not receive energy from the Northern Maine Renewable Energy Development Program, despite hosting the infrastructure and living closest to the generation sources. This is because they are not directly connected to the ISO-NE grid. Northern Maine ratepayers are electrically isolated from the rest of Maine and New England. They fall under the Northern Maine Independent System Administrator (NMISA) and, as such, do not participate in the New England Power Pool.

We could address this energy inequity by allocating to Northern Maine ratepayers a proportional amount of all renewable energy generation that falls under the Northern Maine Renewable Energy Development Program. This move would effectively "connect" a portion of the renewable energy to the Northern Maine Grid rather than all of it connected to the ISO-NE grid. Due to grid balancing and reliability requirements, the two grids will likely never be physically connected. Adding renewable energy to the NMISA grid ensures effective retail electric competition is available to all of Maine's electricity consumers as mandated by the Maine State Legislature through the creation of NMISA in 1999. If the Maine Public Utility Commission requires all Maine rate payers to share any cost burden associated with the implementation of the Northern Maine Renewable Energy Development Program, Northern Maine rate payers should be allowed to directly participate in the benefits of the program.

I also oppose this bill because Section 2. 35-A MRSA Sub Section 3210-I, Sub 2, Paragraph A specifies a 30-year contract term for generation connection infrastructure. Section 3. 35-A MRSA Sub Section 3210-I, Sub 3, Paragraph A specifies a 20-year contract term for renewable energy generation projects. Having unequal contract terms shifts significant long term financial risk onto Maine ratepayers from likely foreign owned for-profit corporations. The risk comes in multiple forms: Lifespan differences between transmission infrastructure and renewable energy generation equipment, future inflation effects, interest rates/monetary policy at time of future contract negotiation, and a possible reduction in future federal subsidies on renewable energy generation equipment late in the fossil fuel to renewable energy transition. All would result in lower net electricity generation savings to offset the transmission infrastructure cost passed on to ratepayers. We could substantially reduce the long term risk to Maine ratepayers by requiring matching contract terms.

Vaughn Hersey
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I also oppose this bill because Section 2. 35-A MRSA Sub Section 3210-I, Sub 2, Paragraph A specifies a 30-year contract term for generation connection infrastructure. Section 3. 35-A MRSA Sub Section 3210-I, Sub 3, Paragraph A specifies a 20-year contract term for renewable energy generation projects. Having unequal contract terms shifts significant long term financial risk onto Maine ratepayers from likely foreign owned for-profit corporations. The risk comes in multiple forms: Lifespan differences between transmission infrastructure and renewable energy generation equipment, future inflation effects, interest rates/monetary policy at time of future contract negotiation, and a possible reduction in future federal subsidies on renewable energy generation equipment late in the fossil fuel to renewable energy transition. All would result in lower net electricity generation savings to offset the transmission infrastructure cost passed on to ratepayers. We could substantially reduce the long term risk to Maine ratepayers by requiring matching contract terms.