



Committee on Energy, Utilities and Technology
% Legislative Information Office
100 State House Station
Augusta, ME 04333

February 5, 2024

Re: Testimony in Support of LD 2172, *An Act to Enhance Electric Utility Performance-based Ratemaking*

Dear Senator Lawrence, Representative Zeigler, and Members of the Committee:

On behalf of the Maine Renewable Energy Association (MREA), thank you for the opportunity to present testimony in support of LD 2172, *An Act to Enhance Electric Utility Performance-based Ratemaking*. MREA is a not-for-profit trade organization of members that sustainably manufacture electricity from hydro, biomass, wind, tidal, and solar, as well as supporters of the renewable energy industry.

Achievement of Maine's clean energy and greenhouse gas emission reduction goals is intrinsically linked to the performance of Maine's investor-owned transmission and distribution utilities. LD 2172, as amended, would create a framework to connect achievement of specified objectives to utility financial performance. This would serve to shift focus away from capital investment and instead put focus on delivering value to customers - namely cost, resilience (including climate resilience), and advancement of climate-related goals, among others named in the bill.

MREA offers the following friendly amendment to improve this already positive bill:

Include "The achievement of State's goals for consumption of electricity from renewable resources pursuant to Title 35-A, section 3210" in the list of ratepayer benefits and achievements that the Maine Public Utilities Commission (Commission) must consider as it establishes goals. While the sponsor's amendment includes the State's climate action plan and greenhouse gas emissions reductions goals, MREA believes that Maine's renewable resource consumption goals directly address a primary strategy to achieve Maine's broader climate goals, as well as nods to a leading challenge to a clean energy transition: interconnection.

Interconnecting new renewable energy projects has been a leading hurdle to achieving Maine's clean energy goals. MREA believes that utilities should be assessed in part on their

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ability to respond, in collaboration with other stakeholders, to this challenge. Adding “The achievement of State’s goals for consumption of electricity from renewable resources pursuant to Title 35-A, section 3210” to LD 2172 would appropriately guide the Commission in their establishment of utility performance goals to consider interconnection performance.

In order to pursue beneficial electrification, meet our clean energy goals, reduce greenhouse gas emissions, enhance reliability, and avoid the worst impacts of climate change, Maine must adapt and expand its transmission and distribution grid. Performance-based ratemaking would encourage adaptation and expansion that delivers value to ratepayers, including the valuable role that transmission will play in avoiding the worst impacts of climate change.

MREA encourages the Committee to support LD 2172 as amended by the sponsor.

Sincerely,

A handwritten signature in cursive script that reads "Eliza Donoghue".

Eliza Donoghue, Esq.
Executive Director