



Testimony in Support of LDs 204, 371, and 638:

“An Act to Reduce the Cost of Electricity by Removing the 100-megawatt Limit on Renewable Resources of Energy,” “An Act to Expand Hydroelectric Development by Removing the 100-megawatt Cap,” and “An Act to Create Equal Opportunity Access to Clean Energy by Removing the 100-megawatt Limit on Clean Energy Sources”

Senator Lawrence, Representative Sachs, and the distinguished members of the Committee On Energy, Utilities and Technology, my name is Harris Van Pate, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine.

Maine Policy urges the committee to support LDs 204, 371, and 638 which would eliminate the unnecessary 100-megawatt limitation on a renewable energy source being fully considered in Maine’s Renewable Portfolio Standard. While Maine’s RPS standard overall reduces the efficacy of our energy market, this proposal would broadly be an improvement on the current ineffective version of the RPS.

Maine’s Renewable Portfolio Standard (RPS) was designed to increase the share of electricity generated from renewable sources. However, the current 100-megawatt capacity cap arbitrarily limits which projects can qualify under the RPS, restricting competition and preventing Maine from fully benefiting from more efficient, large-scale, renewable energy development. These bills are a crucial step toward removing these barriers, allowing for more significant investment in Maine’s renewable energy sector while driving down consumer electricity costs.

Increasing Competition and Consumer Choice

The existing cap on renewable capacity distorts the market by discouraging larger-scale projects that could offer lower-cost electricity to Maine ratepayers. By removing this artificial restriction, these bills will foster greater competition among energy producers, ultimately leading to more efficient and cost-effective energy production. Free-market principles dictate that when producers compete, consumers benefit from lower prices and better services.

Economic Growth and Job Creation

Allowing larger renewable energy projects to qualify under the RPS will unlock significant private investment in Maine’s energy infrastructure. This will translate into high-paying jobs, economic growth, and increased tax revenues for communities hosting



these developments. As Maine struggles with outmigration and an aging workforce, policies that encourage private-sector growth and job creation should be prioritized.

Energy Reliability and Security

Maine's energy grid benefits from a diversified mix of energy sources. Larger renewable energy projects provide more stable, long-term power generation, reducing the state's dependence on imported electricity and mitigating price volatility. Encouraging these projects will strengthen Maine's energy independence and improve grid reliability.

Aligning with Maine's Energy Goals

Maine has set ambitious renewable energy targets: one being 80% emissions reduction by 2050, and another being 80% renewable energy usage by 2030.¹ The arbitrary 100-megawatt cap hampers progress toward these goals by preventing large-scale renewable investments. These bills will help accelerate Maine's transition to cleaner energy while keeping costs competitive.

LD 371's Differences

While the other bills focus on reforming the 100MW limit at large, LD 371 focuses on exempting Hydropower from the cap. It also streamlines the Department of Environmental Protection's approval process for Hydropower plants. While these changes are more limited in scope than some of the other proposed bills, they do still improve Maine's energy policy and help our state reduce our dependence on hydropower imports from Canada.

While clean energy generation and energy independence have been major policy goals for Maine for quite a while, with ongoing trade wars from the current Presidential administration it is even more crucial for Maine to look inward for power generation rather than outward.

Conclusion

These bills are a practical, market-driven reform that will enhance Maine's energy market, lower consumer costs, and attract much-needed private investment. Maine can unlock its renewable resources' full economic and environmental potential by eliminating outdated regulatory barriers.

¹ <https://www.maine.gov/governor/mills/news/maine-climate-council-releases-updated-2024-action-plan-2024-11-21>



For these reasons, we urge the Committee to vote Ought to Pass on LDs 204, 371, and 638. Thank you for your time and consideration.