

The voice of Maine business

Testimony of Ashley Luszczki Before the Joint Standing Committee on Energy, Utilities and Technology Neither for nor Against

L.D. 204, An Act to Reduce the Cost of Electricity by Removing the 100-megawatt Limit on Renewable Resources of Energy,

L.D. 638, An Act to Create Equal Opportunity Access to Clean Energy by Removing the 100-megawatt Limit on Clean Energy Sources

March 20, 2025

Senator Lawrence, Representative Sachs, and members of the Joint Standing Committee on Energy, Utilities and Technology, my name is Ashley Luszczki. Thank you for the opportunity to testify on L.D. 204, An Act to Reduce the Cost of Electricity by Removing the 100-megawatt Limit on Renewable Resources of Energy, and L.D. 638, An Act to Create Equal Opportunity Access to Clean Energy by Removing the 100-megawatt Limit on Clean Energy Sources. I am providing testimony neither for nor against this legislation on behalf of the Maine State Chamber of Commerce, which represents a network of over 5,000 small to large businesses located across the state.

Established in 1997, Maine's Renewable Portfolio Standard (RPS) initially required electricity providers to supply 30 percent of their electricity from renewable sources. This requirement was originally designed to support existing renewable energy resources in Maine. Over time, the RPS evolved to encourage new investments by adding a new class (RPS Class I) in renewable energy development, and during the 129th Legislature, the target was increased to 80 percent by 2030 and 100 percent by 2050.

Legislation to remove the 100-megawatt cap on eligible renewable resources has been debated extensively over the years. The Chamber has previously raised concerns about the potential impacts of lifting the cap, particularly regarding market stability, energy costs, and the competitive position of Maine-based renewable energy producers. However, in recognition of the Chamber's support for L.D. 342, which would include nuclear in Maine's RPS and the significantly more aggressive RPS and greenhouse gas emission requirements of the state, we are testifying today neither for nor against L.D. 204 and L.D. 638. Effectively, we do believe that the State should consider all clean energy resources as a means to meet our renewable, clean energy, and ultimately our greenhouse gas emission laws. We would recommend a careful assessment of how this should intersect with the newly proposed Clean Energy Standard. Specifically, the Chamber believes that any change to the 100-megawatt limit should continue to

be carefully evaluated through the lens of affordability, reliability, and economic growth. As electricity demand increases and Maine moves toward its RPS goals, it is critical to ensure that businesses, both energy producers and consumers, have access to reliable and competitively priced energy.

Lifting the cap could provide additional flexibility in meeting Maine's clean energy targets and may help large-scale renewable projects contribute to the state's decarbonization efforts. However, it may also alter market conditions in ways that could disadvantage smaller Maine-based renewable energy producers, who currently benefit from the cap because it limits direct competition from large-scale out-of-state projects. If larger facilities, such as Canadian hydropower, gain eligibility, they could increase supply beyond current demand, potentially driving down renewable energy certificate (REC) prices. This could reduce revenue for smaller Maine generators that rely on these credits for financial viability, impacting investment in local renewable energy development and jobs in the sector.

Given these complexities, we encourage the Committee to carefully assess the full range of economic and market impacts before making changes to the 100-megawatt cap. Any adjustments should ensure that Maine businesses are not negatively impacted by policy shifts. Thank you for your consideration.