

LD 1775

Senator Lawrence
Representative Ziegler
Members of the Energy, Utilities & Technology Committee

Re: LD 1775, An Act to Establish a Clean Hydrogen Pilot Program

My name is Debra Hart and I am a resident of Manchester, Maine. This testimony is in opposition to LD 1775 on behalf of the Dirigo Electric Cooperative Companies.

This committee has heard a lot this session on some of the unintended consequences of net energy billing. Although the COUs do not have large-scale solar systems, they do have rooftop solar arrays that utilize net energy billing. Since those customers do not pay delivery costs, other ratepayers absorb those costs. LD 1775 would provide an exemption for hydrogen facilities for any distribution, delivery, and related charges including volumetric fees, stranded costs, and demand and standby charges, along with energy efficiency resources – LD 1775 will shift the cost of serving hydrogen facilities to ratepayers.

Hydrogen facilities should pay for the cost of the utility services they receive. We understand the bill requires the PUC to select 3 clean hydrogen facilities to participate in the pilot program and those facilities are limited to a peak electricity demand of no more than 20 MW. One of the COUs was approached to have a 50 MW facility located in its service territory. Limiting the number and size of the facilities does not remove the financial burden on a utility required to subsidize the delivery costs to serve a large generating facility in its service territory.

COUs support renewable generation development where both the costs and benefits of the generation inure to the community. Fox Islands Wind is a 4.5 MW wind farm constructed in 2009, that is owned and operated by Fox Islands Electric Cooperative (FIEC), a non-profit consumer-owned utility. The FIEC community voted to install the facility, which is sized to meet 100% of the community's generation needs. While the community pays all of the costs of operating, maintaining, and providing station power to the wind turbines, it also receives the full benefits of wind generation at cost.

In contrast, LD 1775 proposes to impose the service delivery costs of hydrogen facilities on communities that receive none of the monetary benefits of the generation. COUs support the development of clean hydrogen generation facilities if the projects are financially viable and can deliver reasonably priced energy to the market without shifting any transactional costs to ratepayers. COUs do not support LD 1775 as presented – the proposal benefits hydrogen facility developers by imposing a financial burden on ratepayers who already struggle with the high cost of energy.