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TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

**An Act to Advance Clean Energy Goals
L.D. 1830**

**GOVERNOR'S ENERGY OFFICE
May 9, 2023**

Senator Lawrence, Representative Zeigler, and Members of the Joint Standing Committee on Energy, Utilities and Technology (EUT): My name is Caroline Colan, and I am the Legislative Liaison for the Governor's Energy Office (GEO).

The GEO testifies in support of L.D. 1830.

In June 2019, Governor Mills signed legislation that increased Maine's renewable portfolio standard (RPS) to 80% by 2030 and set a goal of 100% by 2050.¹ Meeting these renewable energy requirements involves increasing the amount of renewable energy available for Maine, not only to meet incremental new load as we electrify, but to displace carbon-emitting resources that currently dominate the regional electricity supply. To this end, the 2019 bill required the Commission to solicit long-term contracts for new clean energy generation equal to 14 percent of the state's retail electricity sales. The procurement was conducted in two tranches, with a total of 24 renewable energy projects awarded contracts at competitive prices in 2020 and 2021.

Of those 24 projects, those that are now operational resulted in more than \$68 million in direct savings for Maine ratepayers last year as low-cost renewable energy provided a hedge against volatile global fossil fuel markets. However, due to challenges including supply chain disruptions and inflation, roughly 40 percent of the capacity of the projects contracted during the two procurements have since dropped out, leaving us short of the 14 percent goal of the 2019 legislation and the resources sufficient to meet the state's 2030 goal.

The GEO supports this legislation's broad goals: to, as titled, advance our clean energy goals through additional competitive solicitations of low-cost clean energy generation while also providing an opportunity for Maine farmers whose land has been tragically contaminated by PFAS to develop renewable energy as an alternative way to provide continued revenue.

Renewable energy procurements are an effective tool to deliver cost-effective renewable energy, but they should be carefully crafted to ensure they deliver ratepayer savings and can be built in a reasonable timeframe. To encourage competitive results, the GEO would caution against running a solicitation exclusively for projects on contaminated lands, but would suggest instead broadening eligibility and

¹ P.L. 2019 ch. 477.

providing an adder or bid preference that would prioritize projects that are both cost-competitive and on contaminated lands.

Regarding the definition of contaminated lands and specifically PFAS-contaminated lands, the GEO understands that the Maine Department of Environmental Protection (DEP) is currently in the process of testing and classifying identified sites, and working with the Maine Department of Agriculture, Conservation and Forestry (DACF) to determine what types of production can be continued on lands with varying levels of contamination. We would suggest that eligibility for a bid preference or adder as part of this procurement should be designed in close consultation with both DEP and DACF given their subject matter expertise. DEP also maintains databases of brownfield sites, landfills, spill sites, and other types of contaminated lands in Maine, which the Commission could use as a streamlined source of eligibility for a bid preference under such a program.

Finally, we suggest that the legislation's proposal of an additional solicitation for 5 percent of retail electricity sales be incremental to the 14 percent goal, and that the PUC use their existing authority to "backfill" the capacity that has dropped out since the initial 2020 and 2021 procurements through one or more solicitations. A broader procurement package would support robust competition needed to produce cost-effective results while supporting the achievement of multiple policy goals.

The GEO thanks the bill sponsor and stakeholders for the opportunity to discuss this bill in advance of the hearing and we would like to continue the collaboration going forward.

Thank you for your consideration.

Caroline Colan, Legislative Liaison
Governor's Energy Office