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Testimony of Central Maine Power
Neither For Nor Against
L.D. 1830, An Act to Advance Maine's Clean Energy Goals
May 9, 2023

Sen. Lawrence, Rep. Zeigler and Honorable Members of the Committee, I am Jim Mitchell on behalf Central Maine Power, respectfully providing the Committee testimony neither for nor against L.D. 1830.

I wish to emphasize CMP supports the bill's titled intention to Advance Maine's Clean Energy Goals; we support expansion of renewable sources of energy; we support the reduction of generation using fossil fuels, and we support initiatives that engender energy efficiency and beneficial electrification.

So, why not support the bill?

Because we are convinced more analysis and more robust planning will yield better results for our customers and for Maine's climate goals. Furthermore, we are convinced that beneficial electrification has two fundamental components — expansion of renewable generation to crowd out fossil fuels *and* displacement of those fuels in areas beyond electric generation such as home heating and transportation. A too narrow focus on generation sources for too long will inevitably run into the immutable axiom of economics: the law of diminishing returns.

Let's turn to the situation in Maine. Policy is not data, but data matters as you contemplate policy. So, let's look at the data here in Maine for a moment. According to the U.S. Energy Information Administration (U.S. EIA), "In 2021, renewable resources provided almost three-fourths of Maine's utility-scale in-state net generation, a larger share than in all [states] but Vermont, South Dakota, Washington, and Idaho." Policies that the Legislature enacted and the Maine Public Utilities Commission implemented have had a profound impact on Maine's energy mix. Thirty years ago roughly 30 percent of Maine's net generation came from nuclear power and another 20 percent, on average, came from petroleum-fired generation plants. In fact, U.S. EIA notes "...petroleum-fueled generation decreased from 37% of net generation in the late 1990s to less than 0.5% in 2021." It remains true that Maine's largest power plant is petroleum-fired, but Wyman Station is now used only to meet peak electricity demand in the winter — at enormous expense economically and environmentally. Nevertheless, Maine ranks among the states with the lowest carbon dioxide emissions, according to U.S. EIA.

A substantial majority of Maine's electric load is located in areas interconnected with ISO-NE and to meet demand Maine imports electricity supply from other states and Canada. As you will recall, Northern Maine is interconnected with New Brunswick and imports needed supply from Canada. Maine's movement away from fossil fuel generation has been complemented by what appears to be gains in energy efficiency: per capita retail sales of electricity are less than 40

other states' use and per capita residential use is "less than in almost three-fourths of the states." (U.S. EIA).

The bill before you, L.D. 1830, requires the PUC to procure energy or renewable energy credits "equal to 5% of the retail electricity sales in Maine for the period from Jan. 1, 2021 to Dec. 31, 2021 plus any amount contracted under previous procurements that is not brought into commercial viability within a reasonable time frame established by the commission." (Bill Summary). That is one heck of a lot of renewable energy given our in-state renewable capacity today. In CMP's territory, 5% of 2021's retail sales equals 495,358 MWh. If the Commission were to procure that energy from the most likely renewable sources today — wind and solar — it would need to require CMP and its customers to contract for slightly less than 400 MWs of solar and wind generation based on likely capacity factors for those resources.

Today, long-term contracts stemming from prior legislation has resulted in 275 MWs of operating renewables currently on-line with nearly another 500 MWs under contract — for a total of about 775 MWs of procured renewables. The mix of these contracted resources is approximately 54 MWs for biomass, 5 MWs of hydro, 524 MWs of solar and 192 MWs of wind. Renewable generation, not under contract operating in CMP's service territory results in another 303 MW of wind, 153 MW of Solar and 505 MW of hydro. But wait, there's more. As you've likely heard, net energy billing initiatives have attracted substantial interest by solar developers and electric consumers. Today, in CMP's territory we have approximately 390 MWs of NEB generation operational; 204 MWs of that capacity is in the tariff rate program with another 550 MWs coming on-line over the next 2 years based on a projected attrition rate. There are 186 MW of NEB resources used in the kWh netting program currently on-line with another 400 MW projected over the next 2 years. These resources do not receive a competitive wholesale rate but instead are recipients of the bundled retail rate at the time of generation — a source of substantial cost for CMP's customers. Of our approximately 646,000 customers, about 30,000 — or less than 5% — are beneficiaries of the NEB programs.

Given the overall installed, contracted, and predicted renewable capacity numbers, we think a pause in the rush to renewables is warranted. A key factor is the ability of the system to accommodate more intermittent sources. Maine already has some system congestion and periodic curtailment of some renewable resources. The cure, of course, is additional investment in the transmission and distribution system but those investments must be smart, strategic, and done over time. That is the primary motivation for us urging the Committee to move slowly and deliberately on requiring the PUC to procure more renewables at this time.

Finally, we have a modest suggestion for the Committee to contemplate. For each new initiative to encourage more renewable generation in Maine and the region, we suggest policymakers simultaneously consider incentives for more beneficial electrification such as amping up investment in charging stations, EVs and heat pumps.

Thank you for your consideration of our comments.