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TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

**An Act to Ensure a Sustainable Electric Grid
L.D. 1778**

**GOVERNOR'S ENERGY OFFICE
May 18, 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 opposition to L D 1778

This legislation would do three major things eliminate the state's net energy billing policy, remove the 100-megawatt (MW) maximum capacity limit for a source of electric generation to qualify as a renewable resource for purposes of meeting the State's renewable resource portfolio requirement, and set a ceiling on energy efficiency spending from the Regional Greenhouse Gas Initiative Trust Fund (RGGI) by the Efficiency Maine Trust This Committee has already discussed proposals this session that would end net energy billing and eliminate the 100 MW cap, which the GEO has opposed The GEO also strongly opposes this legislation's attempt to significantly limit the important programming of the Trust While the title of this bill is "An Act to Ensure a Sustainable Electric Grid," its actions would in fact have the opposite effect

According to ISO-NE, the region's independent grid operator, distributed solar significantly reduced the demand on New England's bulk electric system last year They estimate the reduced demand represented enough electricity to power 430,000 homes for a year¹ While the GEO is sensitive the costs of the state's existing net energy billing programs, the clear benefits to the electric grid cannot be overlooked A blanket canceling of the program as this bill proposes, would dramatically alter renewable energy policy in the state, impacting tens of thousands of existing participating customers and investments in Maine

Regarding the 100 MW cap, it's understood that the intention of this proposal is to enable the entry of existing large generators located outside the state to Maine's RPS, as there are no hydroelectric facilities greater than 100 MW located in Maine Were large hydroelectric resources allowed to enter the market as qualifying Class I and Class II resources, renewable energy certificate (REC) values would likely decline significantly and therefore substantially reduce the value that qualifying Maine-based projects rely on to operate An RPS policy that encourages in-state generation of diverse renewable resources offers many benefits to the state, including economic development opportunities throughout the associated supply chains and the potential of innovative solutions to create additional products and services for the state,

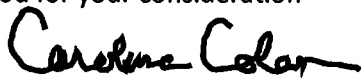
¹ https://isonewswire.com/2023/03/27/solar-power-reduced-new-england-power-grid-demand-by-3-in-2022/?utm_source=isonewswire&utm_medium=newsfeed

regional, and even global markets. The development of local clean energy projects can also provide various community benefits, from financial benefits in the form of property or income taxes, community benefits agreements, and workforce opportunities in good paying jobs across a range of positions with varying education and experience requirements.

Finally, Efficiency Maine Trust's use of funds from the Regional Greenhouse Gas Initiative Trust Fund (RGGI) are specifically designated for energy efficiency programs that "reliably reduce electricity consumption or GHG emissions, giving priority to measures with the highest benefit-to-cost ratio."² This funding supports several of the Trust's initiatives, including heat pump and weatherization programs. The GEO understands the cap on the Trust's use of RGGI funds proposed by this bill is significantly lower than what has been proposed and budgeted to carry out their Triennial Plan for fiscal years 2023-2025, thus would substantially alter the important programming they could offer going forward.

The GEO strongly opposes these changes to the state's energy policy landscape.

Thank you for your consideration.

A handwritten signature in black ink that reads "Caroline Colan". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Caroline Colan, Legislative Liaison
Governor's Energy Office

² https://www.efficiencymaine.com/docs/Triennial-Plan-V_FY2023-2025.pdf