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**TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE**

**An Act Regarding the Procurement of Energy from Offshore Wind Resources  
L.D. 1895**

**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 Celina Cunningham, and I am the Deputy Director in the Governor's Energy Office (GEO)

The GEO testifies neither for nor against L D 1895

Offshore wind presents a generational economic and energy opportunity for Maine With the Federal Bureau of Ocean Energy Management planning commercial-scale offshore wind lease sales in the Gulf of Maine at the end of 2024, the state now should advance a forward-looking procurement process for offshore wind that can reduce energy costs for Maine ratepayers and help grow our economy While the GEO supports the development of a responsible procurement program, we also have concerns with portions of this proposal

As an abundant source of clean energy, offshore wind has the potential to contribute to reducing Maine's over-reliance on fossil fuels, to lower energy costs and reduce energy price volatility, and to curb climate-altering emissions to protect our state's environment for future generations As a domestic industry, offshore wind is poised to grow significantly in the coming years This growth will support existing and emerging Maine companies, create new jobs and career opportunities for Maine people, attract new workers and families to Maine, and deliver infrastructure investments in communities across the state

The *Maine Offshore Wind Roadmap* was published in February of this year after nearly 2 years of proactive, collaborative work between the GEO, a strategic Advisory Committee, and dedicated expert Working Groups The *Roadmap* reflects a careful balance between the key objectives of meeting clean energy and climate statutory requirements, advancing economic development opportunities throughout the state, preserving the Gulf of Maine ecosystem, and supporting our vibrant and thriving seafood industries and coastal communities The *Roadmap* also includes important themes of equity, regional collaboration and coordination, transparency and data-driven decision making, and stakeholder engagement This work was paired with robust public outreach and stakeholder engagement and drew upon data and research-driven insights to set clear and timely strategies and actions

With the upcoming federal commercial lease sale, the *Maine Offshore Wind Roadmap* recognized the importance of advancing Maine as a leader in the burgeoning offshore wind industry This includes

making investments in ports, advancement of research through the Maine Offshore Wind Research Consortium, and advancing policies such as an offshore wind procurement, which was highlighted as a leading recommendation of the Roadmap. The *Roadmap's* priorities for procurement include cost-effectiveness for ratepayers, opportunities for regional coordination, mechanisms to achieve state policy goals, and regulatory certainty to support investment and growth of the industry.

Technical analysis conducted in 2022 for the *Roadmap* noted that Maine will need up to 3 gigawatts of offshore wind to meet our climate goals and increased demand for clean energy, and substantial additional capacity is needed to meet the energy needs of the rest of the region from the Gulf of Maine.

On principle, the procurement proposed reflects the action called for by the *Roadmap*. However, as drafted, the bill's requirements are overly prescriptive, removes flexibility for the state to meet changing needs, is likely to increase costs for ratepayers and industry, and may reduce Maine's competitive advantage on critical clean energy investments. Other states, including New York, Massachusetts, and Connecticut, do not have procurement statutes with this level of specificity.

As is typical elsewhere, procurement solicitations, as opposed to statutory language, are more appropriate venues for such requirements. This is the process now in place in Maine that has been successful for past energy procurements. It would allow for a more coordinated approach to balance the state's objectives associated with a procurement that is informed by the best available data and stakeholder input. The offshore wind industry is advancing quickly and each year the state and stakeholders will gain important insights. To be successful, Maine must adopt a procurement process that allows for the responsible development of this new industry, reduces investment risks that could increase costs, protects natural resources and industries, adequately protects ratepayers, and supports the advancement of a local supply chain and workforce.

Specific areas of concern related to the procurement language include lack of flexibility for the GEO and Commission to adapt schedule and procurement amounts to allow for adequate coordination with other states or adapt to changes in the offshore wind market. The bill should also provide the Commission greater flexibility to consider costs of proposals and weigh whether projects are in the public interest. Other requirements of the bill, such as around wildlife protections, workforce development, and equity are overly prescriptive and could result in increased costs and Maine's competitiveness for investment. Other areas of concern include additional requirements associated with interconnection into the state, which may disincentivize projects to interconnect into Maine. Further, the bill expands the role of the new Maine Offshore Wind Research Consortium beyond the current statutory intent, which raises issues regarding its funding and the appropriate roles for the Consortium, which is a volunteer stakeholder advisory group. The bill may require additional agency resources to meet the proposed requirements.

IFW and DMR have also provided some input on the proposed amendment as it pertains to their agencies. The statutory changes in this bill would formalize MDIFW's role in supporting the development of offshore wind power projects in the Gulf of Maine and would extend our scope of responsibility to federal waters. Currently, wildlife in federal waters are the jurisdiction of the U.S. Fish and Wildlife Service, and although MDIFW has served in an advisory role to support the GEO in planning for offshore wind, MDIFW does not have a formal responsibility to monitor wildlife, conduct or coordinate research, develop avoidance and minimization recommendations, or review mitigation plans for projects occurring in federal waters. Extending MDIFW's scope of responsibility to include federal waters in the Gulf of Maine would be a significant increase in the geographic reach of the agency, requiring an increase in staffing and funding to support wildlife monitoring, research, and environmental review. Several sections of this bill would require additional staff resources for MDIFW that would need to be considered if this bill moves forward.

DMR would suggest that Sections 7 and 8 include reference to “marine resources” in addition to the term “fisheries” wherever it is used in reference to monitoring or mitigating impacts from offshore wind development. This change would ensure that the statute is clearly including the resources themselves as well as the activity that depends on them. This would be more consistent with the use of the term “wildlife” while also retaining the term “fisheries” to speak to the activity of commercial and recreational fishing.

In closing, the GEO supports a procurement as called for in the *Roadmap*, to advance the opportunity responsible offshore wind has for Maine’s energy and economic future. We look forward to working on this legislation to build a sustainable, long-term responsible offshore wind program, with the flexibility that will allow for Maine to cost-effectively advance the industry, reduce our reliance on fossil fuels, drive down energy costs, and protect Maine’s resources and people.

Thank you for your consideration.



Celina Cunningham, Deputy Director  
Governor’s Energy Office