



May 16, 2023

Senator Mark Lawrence, Chair
Representative Paige Ziegler, Chair
Committee on Energy, Utilities and Technology
100 State House Station
Augusta, ME 04333

Re: Testimony in support of LD 1850, “An Act Relating to Energy Storage and the State’s Energy Goals”

Senator Lawrence, Representative Ziegler, members of the Energy, Utilities and Technology Committee

My name is Jeremy Payne and I am a principal with Cornerstone Government Affairs Group here to testify in support of LD 1850 on behalf of our client the Maine Renewable Energy Association (“MREA”)

We want to thank the sponsor for continuing to lead on the important issue of energy storage. Storage offers tremendous promise for the state, consumers, and our ability to cost-effectively and expeditiously meet our clean energy goals. We support the directive to the Maine Public Utilities Commission (“PUC”) and the Governor’s Energy Office (“GEO”) to evaluate programmatic designs for a storage procurement of up to 200 megawatts.

Storage has an integral role to play in Maine’s clean energy future through helping to avoid costly infrastructure upgrades, reducing the amount of fossil fuels needed to serve peak load hours, maximizing the value of our clean energy supply, and reducing costs through active management of our grid.

LD 1850 envisions a competitive storage procurement whereby private companies will compete on price to secure long-term contracts. We support this concept as a clear message to the marketplace to begin readying their projects to bid – one recommendation we would make is to accelerate the timeline as much as possible. As printed, the bill appears to envision a procurement occurring sometime in 2025. Given the energy pricing challenges before us, and the role energy storage can play in helping address cost concerns, moving ahead with a procurement as quickly as feasible must be a priority.

Energy storage can help consumers, who are facing rising prices because of exploding natural gas costs, by charging up batteries with renewable energy when prices are low – e.g., solar during the day, wind and hydro during the night – and then discharging those batteries when costs are high to help smooth out pricing peaks – e.g., in the evenings when people return home from work.

Storage can also play a valuable role in storing up clean electrons that may have otherwise been constrained by system limitations – i.e., too much power trying to use the same infrastructure to serve load – and allowing those low-cost resources to be stockpiled and made available later on to cost effectively serve Maine load

We do not support a new or expanded role for Maine’s investor-owned utilities to own or operate energy storage projects beyond what is already codified in existing law¹. The legislation may presuppose a role for utilities to play and we reject this as unnecessary – we are not aware of any particular service or role a utility can provide that offers unique advantages to the efficient operation of the grid. Some may argue that utilities need this tool to operate the grid – we agree that storage can be helpful in voltage regulation and active grid management. Where we differ is we do not believe utilities need to build, own, and operate storage projects to provide those services. The private marketplace is ready, willing and able to serve that role. Right now, there is an active rate case at the PUC for Central Maine Power (“CMP”) which contains two energy storage projects – and the PUC will ultimately make the determination if the construction and operation of those projects is consistent with current law and necessary for the efficient operation of the grid. We believe sticking with this current approach is appropriate and reasonable. This also sends an important signal to private investors who will submit firm bid prices that they will not be forced to compete with utilities who may be able to seek cost recovery for overages.

We believe storage holds great promise for Maine consumers and strongly support a streamlined and accelerated program design and procurement timeline to allow private companies to bid for contracts to help deliver energy savings for the state.

We respectfully urge the committee to remove Section 6 of the sponsor’s amendment and vote ought to pass.

Thank you

¹ <https://legislature.maine.gov/legis/statutes/35-A/title35-Asec3204.html> --

5 Ownership of generation prohibited Except as otherwise permitted under this chapter, on or after March 1, 2000, an investor-owned transmission and distribution utility may not own, have a financial interest in or otherwise control generation or generation-related assets.

6 Generation assets permitted On or after March 1, 2000, notwithstanding any other provision in this chapter, the commission may allow an investor-owned transmission and distribution utility to own, have a financial interest in or otherwise control generation and generation-related assets to the extent that the commission finds that ownership, interest or control is necessary for the utility to perform its obligations as a transmission and distribution utility in an efficient manner.