



TO The Committee on Energy Utilities and Technology
FROM Glenvale LLC
DATE May 16, 2023

RE Testimony regarding LD 1850, "An Act Relating to Energy Storage and the State's Energy Goals"

Dear Senator Lawrence, Representative Zeigler and Committee Members,

On behalf of Glenvale LLC, we want to thank you for your continued leadership on clean energy and climate change policy. The Committee has been instrumental in advancing Maine on the path to grow our region's clean energy economy, meet our climate commitments and deliver cost-effective renewable energy for our most vulnerable communities.

Glenvale develops large solar energy projects. Five projects in Maine have Power Purchase Agreements from the Tranche 1 and 2 procurements. These projects total approximately 150MW which is equivalent to providing energy for about 37,000 homes. The Projects are in Buxton, Baldwin, Hiram, Topsham, Warren and Turner. They will provide \$60M of in-state and local benefits and about 200 construction jobs.

In addition to the renewable energy these projects will supply, we are planning development of large-scale battery energy storage at some of these sites.

LD 1850 is an important step to providing resiliency to Maine's electric grid for the future. The bill directs the Governor's Energy Office ("GEO") and the Maine Public Utility Commission ("MPUC") working together to put together the most effective procurement possible. Glenvale is in favor of LD 1850, with the following comments:

- 1 We suggest that the bill advances procurement that selects projects that can be readily deployed in a cost-effective manner. Projects that are well advanced in



development would be suited for the first procurement and will help Maine achieve its climate goals, and learn from deployed projects. The GEO and MPUC should prioritize procuring projects that are substantially advanced with regard to interconnection studies and permitting.

2. The proposed bill sets an energy storage policy goal of at least 300 MW of capacity located within the state by the end of 2025, and at least 400 MW of capacity by the end of 2030. Maine's abundant renewable energy resources are now limited by the existing transmission system, most acutely at the sub-stations in Orrington and Pownal, but also at the Maine-New Hampshire interface. We recommend the Committee and the legislature think big with regard to this procurement, or a follow-up, so that the renewable energy potential of central and northern Maine can be harnessed. We also recommend that consideration be given to each of the three key areas that have power-flow constraints with regard to existing generation and planned renewables (i.e. [a] south of the Surowiec substation in Pownal, [b] between Surowiec and Orrington, and [c] north of Orrington).
3. Glenvale believes the competitive market provides a great opportunity for Maine ratepayers to benefit from storage with the highest benefits, and lowest costs and risks. We recommend that the bill seek competitive offers from independent developers, unaffiliated with the T&D service providers, who are better-positioned to bare risk.
4. The proposed bill requires that the GEO and MPUC evaluate designs for a program to "including but not limited to, through the use of an index storage credit mechanism." The most important consideration for a program is that any income stream is predictable, and funded by a robust, credit-worthy payer. Alternatives to index payments may be simpler, less expensive to rate-payers, and allow operators full discretion for charging and discharging, a key factor for an energy storage project. Such programs could include monthly availability payments, performance-based payments, or volumetric payments.
5. Transmission scale, privately owned generators have proven to offer ratepayers very cost-effective renewable energy, and we are confident that large-scale storage projects will also provide competitive pricing. As such, Glenvale suggests the procurement have a target for large scale projects interconnected at transmission voltages, or at least allow projects of all sizes to compete on a level playing field. The bill should also allow the procurement to slightly exceed the 300 MW in order to procure the services of any large project that straddles the MW target, without a reduction in project size which may impair the financability of the project.



- 6 There may be areas of Maine that have more reliability risks than others, particularly during the hotter summers experienced recently. If any siting preferences are contemplated in the final bill, the Committee might consider preferences for projects that support grid reliability in vulnerable areas such as the mid-coast.

Glenvale appreciates the work of this Committee and is ready and available to answer any questions you may have about our response or the work we do. We appreciate your consideration.

Sincerely,

Ari Jackson
Senior Director of Development
Glenvale LLC