STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0001

JANET MILLS
GOVERNOR

DAN BURGESS
DIRECTOR OF GOVERNOR'S
ENERGY OFFICE

TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

An Act to Lower Energy Costs by Repealing the Law Setting Out the State's Goals for Consumption of Electricity from Renewable Resources

L.D. 444

GOVERNOR'S ENERGY OFFICE
March 4, 2025

Senator Lawrence, Representative Sachs, 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. 444.

Maine's renewable portfolio standard (RPS) establishes the portion of electricity sold in the state that must be supplied by renewable energy resources. Maine's original RPS policy came to be as part of the state's electric utility restructuring law passed in 1997 with compliance requirements beginning in the year 2000. In 2019, Governor Mills signed bipartisan legislation (P.L. 2019 Ch. 477) that increased Maine's RPS to 80 percent by 2030, an increase from 40 percent, and set a goal of 100 percent by 2050. By 2030, 50 percent of Maine load must be satisfied by new renewable resources (Classes I and IA) and 30 percent by existing renewable electricity generation (Class II). Load serving entities (LSEs), which include both competitive electricity providers and the supplier for Standard Offer Service, comply with the RPS requirements by purchasing and retiring renewable energy certificates (RECs) from qualifying generators. This year, in 2025, 59 percent of electricity sold in Maine is required to be supplied by renewable energy resources.

All six New England states have RPS policies, though they vary by percentage target, generator eligibility, and mechanisms for compliance flexibility. However, in each state, generally Class I policies support the construction and entry of new renewable energy resources, while Class II requirements support the continued operation and maintenance of existing renewable and efficient resources.

In the 131st Legislature, GEO was directed to submit a report to the EUT Committee by March 31, 2024, and every 3 years thereafter, on the status and impacts of the implementation of Maine's RPS policy, including the impacts of the policy on energy prices and an assessment of benefits, including, but not limited to, greenhouse gas emissions and the economy of the State.

As directed by law, GEO submitted a report to the legislature last March which is available at www.maine.gov/energy. The report found that the RPS has been an important policy tool to convey the state's policy objectives and accurately account for renewable energy attributes. Maine's RPS has supported renewable development and operation resulting in over $100 million in direct investment,

approximately $900 million in operations and maintenance spending, and over 1,000 full-time equivalent jobs between 2008 and 2022.

For electric ratepayers, the net annual average benefit has been approximately $21.5 million between 2011 and 2022. Maine's RPS compliance costs an average of $17.5 million per year, and the energy associated with RECs used for compliance yielded wholesale price reduction benefits averaging $39 million per year. Maine has also derived significant economic and price suppression benefits from state energy procurements and hosting renewable energy facilities used to satisfy RPS policies in other states, which are additive to the results described in the report and were not the focus of the March 2024 report. The report also details significant emission reduction benefits resulting from Maine's RPS policy by year.

It's clear that Maine's RPS policy continues to be an important policy tool and one that is driving benefits to Maine's economy in several ways: encouraging investment through its incentive to develop renewable generating facilities in the state which create direct investments in Maine associated with construction, operations, and maintenance; supporting broader spending and revenue generation to other Maine industries through the purchase and spending on supporting service, worker income and spending in Maine, and added state tax revenues; suppressing wholesale energy prices as renewable generators tend to have lower marginal costs than fossil fuel plants; and by supporting the growth and maintenance of renewable power in Maine which reduces imports of fossil fuels to the state. On these merits, we oppose any legislation which would dissolve the state's renewable policy goals.

As Maine's renewable energy requirements continue to grow, particularly with increased load from beneficial electrification, GEO is committed to continued evaluation of the state's RPS policy to ensure it evolves along with shifting state and regional clean energy markets, and that the benefits of the policy outweigh the cost of compliance.

Thank you for your consideration.

Caroline Colan

Caroline Colan, Legislative Liaison
Governor's Energy Office

Appendix A.

Maine RPS Eligibility Criteria, by Class

RPS Class	Eligible Technologies	Commercial Operation Threshold	Eligibility Notes
Class I	• Fuel cells* • Tidal • Solar • Wind • Geothermal • Hydroelectric • Biomass	Constructed after 9/1/2005	• Except for solar and wind, resource may not have a nameplate capacity greater than 100 MW • Allows refurbished facilities (as amended by LD 1494[25]) • Allows resources that for at least 2 years was not operated or was not recognized by the New England independent system operator as a capacity resource and, after September 1, 2005, resumed operation or was recognized by the New England independent system operator as a capacity resource
Class IA	• Fuel cells* • Tidal • Solar • Wind • Geothermal • Hydroelectric • Biomass	Constructed after 9/1/2005	• Except for solar and wind, resource may not have a nameplate capacity greater than 100 MW • Allows refurbished facilities (as amended by LD 1494[26]) • Excludes resources that for at least 2 years was not operated or was not recognized by the New England independent system operator as a capacity resource and, after September 1, 2005, resumed operation or was recognized by the New England independent system operator as a capacity resource
Thermal	• Biomass thermal • Waste heat or pressure • Useful renewable thermal	Constructed after 6/30/19	• Produced directly by a facility using sunlight, biomass, biogas or liquid biofuel or produced as a byproduct of electricity generated by a Class I or Class IA resource
Class II	Renewable resources: • Fuel cells* • Tidal • Solar • Wind • Geothermal • Hydroelectric • Biomass • Municipal solid waste Efficient resources: • Cogeneration facilities	Efficient resources must have been constructed before 1997; no threshold for renewable resources	• Renewable resources may not exceed 100 MW
**** If run on renewable fuels***			

Source: "An Assessment of Maine's Renewable Portfolio Standard" prepared by Sustainable Energy Advantage, LLC for the Maine Governor's Energy Office, in collaboration with the Public Utilities Commission, March 2024.