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TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

An Act to Prioritize State Access to Electricity Generated in Canada via High-Impact Electric Transmission Lines

L.D. 469

GOVERNOR'S ENERGY OFFICE
March 11, 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. 469.

Thank you for the opportunity to provide comments on this legislation and to seek clarification regarding the goals and intent of the proposal. It is our understanding that the primary goal is to prohibit the operation of a high-impact transmission line delivering electricity generated in Canada through Maine to other states in New England unless at least half of the power delivered by the line is "allocated to and consumed within the State" with the goal to ensure a higher share of "direct" benefits from a line flow to Maine people.

Several high-impact transmission lines enter into Maine from Canada today, and soon, the New England Clean Energy Connect project, or NECEC, will also be completed and begin sending Canadian hydropower into the New England grid. A majority of NECEC's 1,200-megawatt capacity and associated environmental attributes are contracted to the state of Massachusetts through 20-year power purchase agreements between Hydro-Quebec and the state's electric utilities. It is often said that this power only flows through Maine without benefit to the state, however, given the nature of our regional grid, the significant amount of fixed-price power from the new line will have wholesale price suppression impacts on all customers in ISO-NE in addition to a set of additional negotiated monetary benefits specific to Maine.

Additional "direct" benefits from a new transmission line that could reduce costs for Maine ratepayers could specifically be sought through the competitive solicitation of long-term contracts for power delivery and associated environmental attributes that could contribute to the state's renewable portfolio standard. In order to seek these benefits, it would be helpful to understand whether it's the sponsor's intent to direct the state to seek the development of new transmission infrastructure to access Canadian hydropower through the solicitation of long-term contracts.

It is also unclear whether this bill is intended to apply the "local consumption standard" and associated penalties only to new transmission lines developed after December 31, 2026, or whether Sec. 3 of the proposed bill implies that penalties would also be assessed on existing high-impact transmission lines

operating in the state after December 2026 which may be operating under active long-term contracts with other entities.

On the whole, GEO is concerned that a provision to limit high impact transmission lines to those that deliver at least 50 percent of the power to Maine could limit the state's ability to negotiate cost-sharing agreements with other states in New England critical to advancing infrastructure needed to move more power across the grid, increase reliability, reduce system constraints, and decrease overall system costs.

Regarding Sec. 4 of the bill, which directs GEO to collaborate with other government entities, competitive electricity providers, and transmission and distribution utilities in the State do encourage the expansion and relocation of businesses to the State, it would be helpful to understand if the effort is intended to connect businesses to the potential opportunities associated with the procurement of long-term contracts for Canadian hydropower or if the effort is a separate, unrelated request to the earlier sections of the bill. GEO is actively collaborating with the Maine Department of Economic and Community Development on several efforts to unlock underutilized community energy assets to create new job opportunities and drive local economic development and would be happy to continue to coordinate on related efforts.

While we oppose the bill at present, we look forward to better understanding the intent of this legislation and whether there are ways to advance shared objectives.

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 "Caroline" being larger and more prominent than the last name "Colan".

Caroline Colan, Legislative Liaison
Governor's Energy Office