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TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

Resolve, to Provide Legislative Approval of Northern Maine Transmission Infrastructure

L.D. 596

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 neither for nor against L.D. 596.

In 2021, the Legislature established the Northern Maine Renewable Energy Development Program (35-A § 3210-I) through bipartisan legislation signed by Governor Mills. Pursuant to this legislation, the Public Utilities Commission (Commission) selected two projects through a competitive bidding process to promote renewable energy development in northern Maine, finding them in the public interest and necessary to meet Maine's climate and greenhouse gas reduction goals. While these projects did not ultimately move ahead, the legislature reaffirmed the program when it passed L.D. 1963 in the 131st Legislative Session which directs the Commission to issue a new request for proposals for the development and construction of cost-effective transmission and generation in northern Maine.

Developing renewable resources and associated transmission in northern Maine is a significant opportunity to meet Maine, and the region's, energy goals and stabilize costs for ratepayers. Northern Maine possesses some of the highest quality renewable energy potential in the region, but has been unable to unlock that potential and the significant economic and community benefits that accompany it due to significant interconnection limitations and a need for additional transmission capacity. Projects developed under the program are poised to address these longstanding challenges and bring jobs, tax revenue, and economic opportunities to northern Maine, and provide important improvements to system reliability and resiliency. In addition, by bringing substantial new clean energy resources to Maine and our neighbors, these projects will help reduce energy costs over the long-term by placing downward pressure on regional electricity prices while also helping confront challenges from climate change by reducing greenhouse gas emissions.

As Maine has sought solutions to the interconnection and transmission challenges of northern Maine, GEO and the Commission have continued to seek ways to do so most cost-effectively. It has been clear since the original legislation was proposed in 2021, that regional collaboration is one of the most important strategies to making the project more affordable for Maine ratepayers. We commend the Commission in its work to coordinate with our neighbors in the first round of bids under the Northern Maine Renewable Energy Development Program to advance this project and provide substantial regional benefits across the New England electricity grid. L.D. 1963 includes additional direction to GEO

and the Commission to collaborate to seek partnerships with other states, government entities or utilities in New England in the development and evaluation of proposals under the program. GEO is committed to working with its sister offices in the region to develop partnerships which could reduce the costs of this important project. Through months of coordination, GEO and the Commission, cooperatively with the other New England States, have also worked through the New England States Committee on Electricity (NESCOE) to engage with ISO-NE to develop a request for proposals for transmission upgrades to address the congestion and stability concerns currently facing Maine's grid and up to, and including, a new substation in Pittsfield, Maine. This RFP will be designed to permit interconnection of significant new generation in Maine while sharing the costs with the other New England states.

Another strategy that can reduce costs to large-scale projects such as those under the Northern Maine Renewable Energy Development Program, is to reduce the risks that developers undertake during project development. It is GEO's belief that the requirement for legislative approval of the construction of a high-impact electric transmission line and related facilities pursuant to Title 35-A, section 3132, subsection 6-C, is effectively veto power over the procurement process of the Commission, that the requirement adds significant and unnecessary financial risk to the project that is ultimately mitigated by the developer through increased bid costs, and that it is unnecessary, particularly when the procurement is conducted in response to legislative direction.

Last year the Commission initiated a process to inform the re-opening of its procurement for qualified transmission and generation projects pursuant to the Northern Maine program through a Request for Information and Indications of Interest and it's our understanding the Commission will move ahead with next steps soon. Should a transmission project be selected under the program, found to be in the public interest, and a contract agreed upon, we support the approval of the project by the Legislature pursuant to the requirements of Title 35-A, section 3132, subsection 6-C, however we also recommend the Legislature reconsider this requirement and its impacts on project development risk and ultimately project cost.

Cost-effective transmission will be critical to improving system efficiency, resiliency and reliability, and to integrating new clean energy resources that will help reduce greenhouse gas emissions and long-term energy costs through price suppression in regional electricity prices. GEO is committed to taking a multi-pronged approach to reducing the cost of critical energy infrastructure and is happy to work with the committee to advance supportive efforts.

Thank you for your consideration.



Caroline Colan, Legislative Liaison
Governor's Energy Office