



JANET MILLS  
GOVERNOR

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

DAN BURGESS  
DIRECTOR OF GOVERNOR'S  
ENERGY OFFICE

## TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

**An Act to Reduce the Cost of Electricity by Removing the 100-megawatt Limit on Renewable Resources of Energy (L.D. 204); An Act to Expand Hydroelectric Development by Removing the 100-megawatt Cap (L.D. 371); and An Act to Create Equal Opportunity to Clean Energy by Removing the 100-megawatt Limit on Clean Energy Sources (L.D. 638)**

GOVERNOR'S ENERGY OFFICE  
March 20, 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. 204, L.D. 371, and L.D. 638.

This testimony is being provided regarding L.D. 204, L.D. 638, and sections 1 and 2 of L.D. 371. I understand L.D. 204 and L.D. 638 to be identical in language and sections 1 and 2 of L.D. 371, while taking a somewhat different approach, to be seeking a similar outcome. These bills remove the 100-megawatt (MW) maximum capacity limit for a source of electrical generation to qualify as a renewable resource for purposes of meeting the State's renewable resource portfolio requirement.

As you know, a Renewable Portfolio Standard (RPS) is a mechanism that requires a specific percentage of electricity sold in the state to be derived from renewable resources. Currently 28 states and the District of Columbia have established an RPS and an additional 7 have renewable portfolio goals. Nearly a dozen states have established a clean energy standard or goals.<sup>1</sup> Maine's current RPS requires 80% of retail electricity sales in Maine to come from renewable resources by 2030 and 100% by 2050. Specifically, by 2030, 50% of Maine load must be satisfied by *new* renewable resources (Class I and IA) and 30% by *existing* renewable electricity generation (Class II). Current law includes a capacity cap on most Class I/IA resources, including hydroelectric resources, of 100 MW. All eligible Class II resources are capped at no greater than 100 MW.

Similar proposals to eliminate the 100-megawatt cap have been considered by this committee in each session since the 127<sup>th</sup> Maine Legislature. Generally, arguments have been focused toward removing the cap specifically for hydroelectric generators. With only one hydroelectric facility greater than 100 MW located in Maine, the intention of this legislation is understood to enable the entry of *existing* large generators located outside the state to Maine's RPS. Were large hydroelectric resources allowed to enter the market as qualifying Class I and Class II resources, renewable energy certificate (REC) values would likely decline significantly and therefore substantially reduce the value that qualifying projects

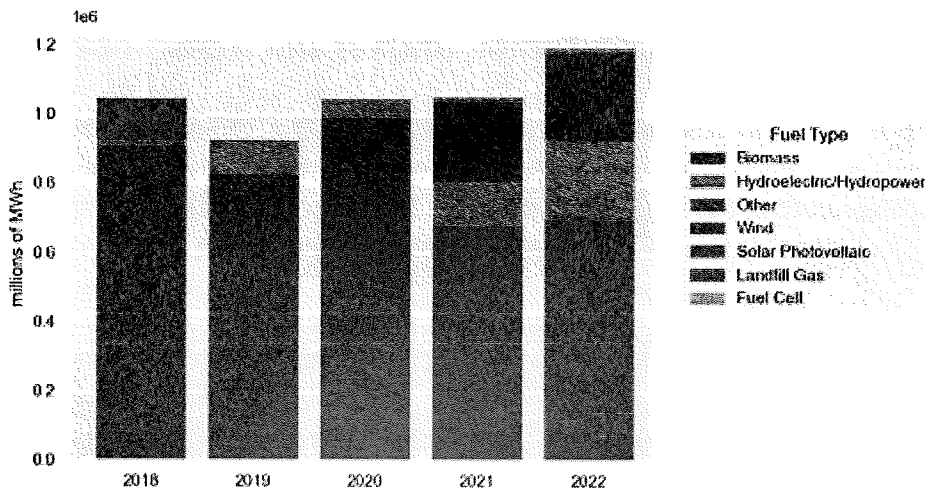
---

<sup>1</sup> <https://www.eia.gov/energyexplained/renewable-sources/portfolio-standards.php>

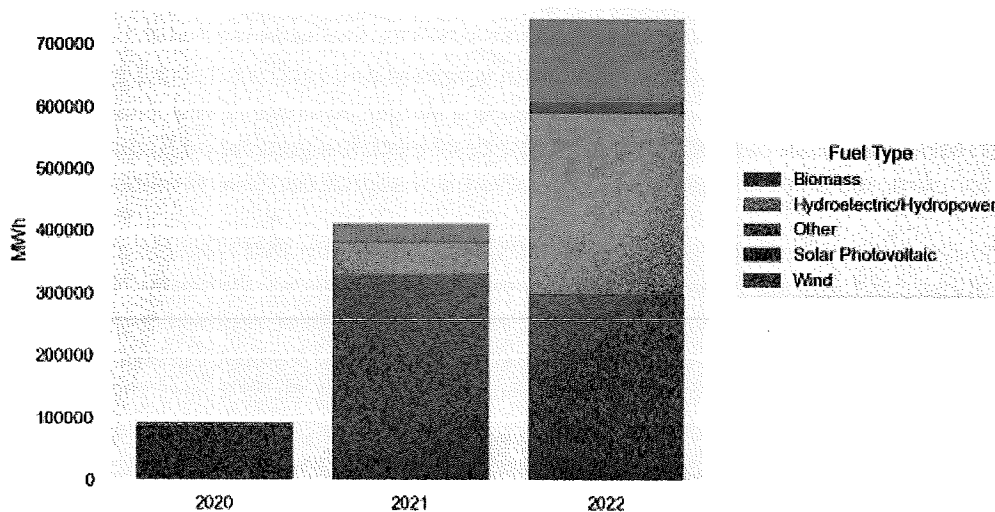
rely on to operate. In Maine that would likely mean having a significant negative impact most acutely on the state's existing biomass facilities and in-state hydroelectric generators.

The following figures are drawn from the Maine Public Utility Commission's annual compliance RPS report which illustrates the mix of generator types that contributed to Maine's RPS in 2018-2022.<sup>2</sup>

**Figure III-1: Class I REC Fuel Source Mix, 2018-2022**

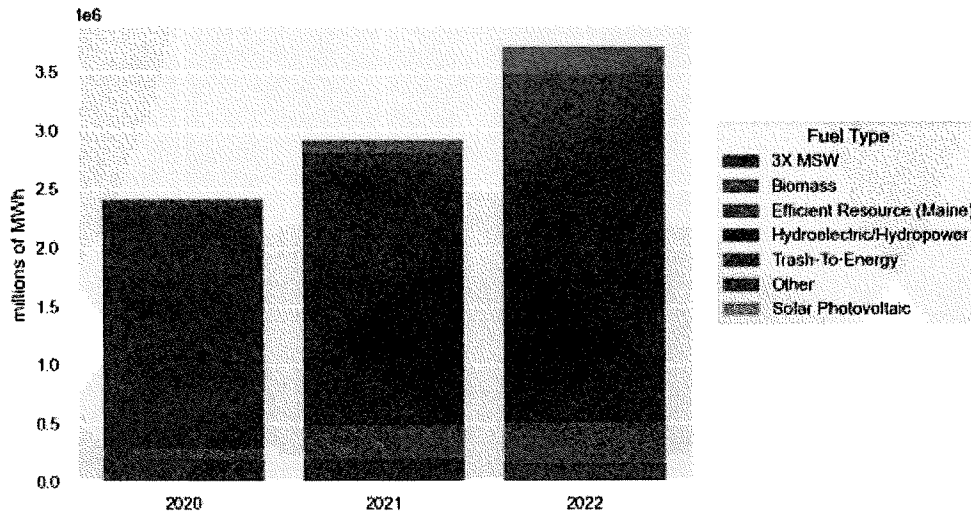


**Figure III-2: Class IA REC Fuel Source Mix, 2020-2022**



<sup>2</sup> <https://www.maine.gov/mpuc/sites/maine.gov/mpuc/files/inline-files/2022%20Activity%20RPS%20Report.pdf>

Figure III-3: Class II REC Fuel Source Mix, 2018-2022



For broader policy context, many state RPS programs limit hydro eligibility to small facilities, though the definition of small varies by jurisdiction. According to data compiled by the Clean Energy States Alliance, 17 states limit eligibility to projects 30 megawatts or less in at least one of their RPS classes.<sup>3</sup> Six states limit capacity of resources to 10 megawatts or less in at least one class. Vermont is the only state in New England that allows large Canadian hydro to qualify as renewable.

An RPS policy that encourages generation of a diverse set of renewable resources offers many benefits to the state, including more affordable and less volatile energy. For electric ratepayers, the net annual average benefit of Maine’s RPS policy has been approximately \$21.5 million between 2011 and 2022. The growth of the clean energy sector through policies like the RPS also present significant economic development opportunities throughout the associated supply chains, 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. The development of clean energy projects can provide various community benefits, from financial benefits in the form of property or income taxes, community benefits agreements, and workforce opportunities in good paying jobs across a range of positions with varying education and experience requirements. 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.

Though not supportive as currently written, GEO is open to considering appropriate ways to enable participation of large-scale hydroelectric resources in Maine’s clean energy portfolio, particularly as we move closer to Maine’s 100 percent clean energy goals, in a manner that more holistically considers how to benefit from those resources in tandem with the state’s existing set of diverse in-state generating resources.

Thank you for your consideration and I welcome any questions.

*Caroline Colan*

Caroline Colan, Legislative Liaison  
Governor’s Energy Office

<sup>3</sup> <https://www.cesa.org/resource-library/resource/role-of-hydropower-in-state-clean-energy-policy/#:~:text=Hydropower%2C%20as%20an%20abundant%2C%20clean,intermittent%20renewables%20into%20the%20grid>