

Testimony of Ashley Luszczki
Before the Joint Standing Committee on Environment & Natural Resources
In Support of L.D. 1210, An Act Regarding Renewable Electricity Generation by
Hydropower Projects
April 6, 2025

Senator Tepler, Representative Doudera and members of the Joint Standing Committee on Environment and Natural Resources, my name is Ashley Luszczki. I am here on behalf of the Maine State Chamber of Commerce, representing a network of 5,000+ small to large businesses. to provide testimony in strong support of L.D. 1210, An Act Regarding Renewable Electricity Generation by Hydropower Projects. The Chamber believes this legislation is critical for advancing Maine's renewable energy targets and economic development goals.

Maine's Renewable Portfolio Standard requires that a significant share of electricity sold within the state originates from renewable sources. With ambitious targets of 80 percent renewable energy by 2030 and 100 percent by 2050, achieving these policy standards will demand strategic alignment across sectors. According to the U.S. Energy Information Administration, hydropower accounted for 44 percent of Maine's renewable electricity generation in 2023. As a clean, renewable, and highly reliable source of baseload power, hydropower must remain part of Maine's energy strategy.

Hydropower isn't simply a climate or energy solution – it is a business necessity and was a foundation for our state's manufacturing original growth. It provides predictable, cost-effective electricity that many of Maine's key industries, such as pulp and paper mills and textile manufacturers, depend upon. For these employers, hydropower is not a luxury – it is a lifeline. Its loss or diminished availability would jeopardize operations, potentially forcing businesses to scale back, relocate, or close altogether. While many industrial users rely on a diversified energy portfolio, hydropower represents a significant share they cannot easily replace.

These businesses are integral to Maine's rural economy. In Rumford, more than 680 Mainers are directly employed in pulp and paper operations; in Skowhegan, that number exceeds 750. These figures do not include the indirect jobs tied to these facilities – construction and maintenance, logistics professionals, local retailers, and hospitality workers whose livelihoods are tied to these employers. Nor do they reflect the substantial property tax contributions these facilities make – funding schools, emergency services, and infrastructure that benefit residents and visitors alike. According to an Economic and Fiscal Impact Analysis of the Kennebec River Dams prepared by Camoin Associates in 2022, the four regional dams and paper mills paid nearly \$8.9 million in property taxes in 2021 with the largest portion going to Skowhegan – totaling nearly \$6.8 million. This revenue is significant.

Further north in Millinocket, the site of the former Great Northern Paper mill is located adjacent to a hydroelectric dam and the site is undergoing redevelopment. Revitalizing this historic

industrial location holds promise for the region. Yet, these efforts hinge on the availability of reliable, renewable electricity to power new ventures and attract private capital.

Unfortunately, the future of hydropower in Maine is increasingly uncertain due to challenges in the permitting process and the difficulty of securing water quality certifications and potentially very low electricity wholesale prices throughout the year with solar, offshore wind, and transmission projects with long-term contracts insulated by the changes in day-to-day pricing fluctuations. Regulatory ambiguity undermines the confidence required for businesses to make long-term investments. Whether expanding existing operations or launching new ones, companies making multimillion-dollar decisions need a stable, predictable policy environment. Without it, aligning business growth with Maine's environmental aspirations becomes an uphill battle.

L.D. 1210 takes a balanced approach. It recognizes the importance of environmental stewardship while ensuring that the state's broader renewable energy and economic objectives are taken into account. These considerations are not mutually exclusive – they are inherently interconnected. Maine cannot meet its clean energy future or remain economically competitive without weighing both.

For these reasons, the Chamber urges the committee to support L.D. 1210. Doing so will send a strong signal that Maine is committed to both environmental goals and economic resilience.