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April 7, 2025

**RE: LD 212: An Act to Require the Valuation of Energy
Produced by Hydropower Dams and Exploration of Alternative
Ownership Options Before They Are Removed**

Dear Senator Tepler, Representative Doudera, and distinguished
members of the Environment and Natural Resources Committee,

We do not support LD 212. This bill addresses questions that
were considered a full decade ago when the Maine Governor's
Energy Office commissioned a report which was released in February
2015, "Maine Hydropower Study." It is accessible here:

<https://www.maine.gov/energy/sites/maine.gov.energy/files/inline-files/001-ME-GEO-Rpt-02-04-15.pdf>

According to the Executive Summary of "Maine Hydropower Study":

The primary goals of Maine Hydropower Study were twofold: (1) develop an
inventory of existing and potential hydropower resources, and (2) identify potential
regulatory changes to facilitate development of these resources.

The Powered Dams Assessment section of "Maine Hydropower
Study" (p. 2-23) notes:

Hydropower has a long history in Maine, and any powered site that could be
significantly upgraded would likely have already been upgraded.

Even before applying a regulatory screening, none of the sites have a simple
payback of less than 20 years. A 20 year simple payback was selected by the study
team as a reasonable criterion for a screening level analysis. Simple payback was
calculated by dividing the total costs of development by the additional gross
revenues generated by the upgrade. The quickest simple payback of any project was
24 years. In reality, developers would likely require much shorter payback to
account for profit considerations and additional post-construction expenses such as
debt service.

Additionally, the report states that, "Development of conventional
hydroelectrical facilities has an inverse size versus cost function: the
smaller the project, the more expensive the project on a cost/kW of
capacity basis." (p. 2-6).

LD 212 calls for dam owners to demonstrate to the Department of
Environmental Protection or Maine Land Use Planning Commission
that an applicant for a permit to remove a dam has made "all
reasonable efforts to sell the dam and was unable to reach an
agreement on a sale with an alternative owner." This requirement is
inconsistent with private ownership of these structures, and would

seemingly not allow dam owners to make basic decisions regarding their property.

Further, hydropower dams are licensed by the Federal Energy Regulatory Commission (FERC), and changes in ownership must be reviewed and approved by FERC. FERC routinely considers the ability of a potential hydropower owner to successfully manage and operate such facilities. Adding a review by the State of Maine appears to be duplicating that effort.

We do not support this bill, and encourage you to vote "ought not to pass."

Sincerely,

A handwritten signature in black ink that reads "Landis Hudson". The signature is written in a cursive, slightly slanted style.

Landis Hudson
Executive Director