

**Testimony of
Kennebunk Light & Power District
Neither For Nor Against
L.D. 212, *An Act to Require the Valuation of Energy Produced by Hydropower Dams and
Exploration of Alternative Ownership Options Before They Are Removed*
Before the Joint Standing Committee on Environment and Natural Resources
April 7, 2025**

Good morning, Chair Tepler, Chair Doudera and members of the Joint Standing Committee on Environment and Natural Resources. My name is Steven Hudson, and I am an attorney with the Preti Flaherty law firm, here today representing Kennebunk Light & Power District (KLPD). KLPD was incorporated by the 95th Legislature in 1951 and serves parts of Kennebunk, Lyman, Wells and Arundel. KLPD today testifies Neither For Nor Against L.D. 212, *An Act to Require the Valuation of Energy Produced by Hydropower Dams and Exploration of Alternative Ownership Options Before They Are Removed*, but asks the Committee, if it is inclined to pass this legislation, to first consider clear language exempting hydropower dams which have already begun a FERC surrender process before June 1, 2021.

KLPD was originally formed as a department of the Town of Kennebunk in December of 1893. In order to assist the largest employer in the Town, it was approached to facilitate continued operation by purchasing electricity from a proposed hydro turbine in the lower Mousam River. The Town not only agreed to purchase the energy but also the turbine rights and formed the Town of Kennebunk Light Department to furnish electric street lighting to the town. In 1951, the residents of the Town of Kennebunk approved the charter for KLPD to be formed under a special and private act of the State Legislature. KLPD is governed by a five-person Board of Trustees elected by the residents of the Town of Kennebunk. As a consumer-owned not for profit electric distribution company, KLPD is accountable only to the residents and the customers it serves.

Over the years, KLPD acquired two more factory sites on the river that had timber and dirt dams and water powered turbines. In the mid-1980s KLPD updated the first turbine and dam and replaced both dams at the other sites - Twine Mill and Dane Perkins - and upgraded the turbines at those sites. The three dams were licensed to KLPD as the Lower Mousam Hydroelectric Project by the Federal Energy Regulatory Commission (FERC).

The assets aged and became less productive, and other sources of power became available at lower cost. Hydropower production at these dams ceased at different times between 2015 and 2019. The FERC licenses to operate the dams were set to expire on March 31, 2022, with KLPD being required to file a Notice of Intent by March 31, 2017. Based on economic analysis, KLPD Trustees voted to surrender its license rather than seek a new license. On March 29, 2017, KLPD filed its Notice of Intent to not pursue a subsequent FERC license upon expiration of the current FERC license. Another company called America First Hydro proposed to take the license, but

ultimately withdrew its proposal after struggling at FERC. After offering the license to others (albeit unsuccessfully) as required by the Federal Power Act, KLPD was able to proceed with the surrender application.

On March 31, 2021, KLPD submitted to FERC an Application for Surrender of License for the Lower Mousam Hydroelectric Project. The surrender application is currently pending with FERC. In 2023, Maine DEP notified KLPD that its surrender application is inadequate because it does not address the State's requirements for water quality standards and fish passage and suggested that KLPD pursue grant funding to address DEP's concerns. In February 2025 KLPD applied for NOAA grant funding for engineering studies, community outreach and education, and design and permitting of the least cost fish passage solution. If KLPD is awarded the grant the decision on fish passage alternatives will be made by the Board of Trustees in an open meeting after a robust community outreach and education campaign and consideration of the study results.

After eight years of the surrender process and a pending grant application, KLPD asks that it be allowed to complete the process without additional process or impediments being added, in order to avoid further delay and expense for our ratepayers, especially since the generating units have not operated for at least six years and are currently not operable. KLPD is a consumer-owned utility so 100% of the costs of the utility's operations are born by its ratepayers.

As the Committee considers what, if any, additional requirements it wishes to add for new proposals for surrender of hydropower projects in the state, KLPD respectfully requests that the Committee provide a grandfathering or exemption provision for any project engaged in a license surrender process initiated before June 1, 2021.

Thank you for the opportunity to provide KLPD's comments on L.D. 212. We are happy to answer questions now or at the work session on this bill.