

---

Committee on Energy, Utilities, and Technology  
c/o Legislative Information Office  
100 State House Station  
Augusta, ME 04333

April 8, 2025

Re: Public Hearing, L.D. 1270 – *An Act to Establish the Department of Energy Resources*, Testimony of Stacey Fitts of Onward Energy

Senator Lawrence, Representative Sachs, and members of the Joint Standing Committee on Energy Utilities and Technology:

My name is Stacey Fitts, and I am a life-long resident of Pittsfield, Maine. Thank you for the opportunity to share my testimony with you today. I appear before you in support of L.D. 1270 – *An Act to Establish the Department of Energy Resources* – with the caveat that I believe there should be an amendment to address a flaw in Maine’s state-sponsored renewable energy procurements concerning negative energy pricing.

As many of you know, I spent 8 years as a State Representative for then-House District 29 and during that time I served as a member of the EUT Committee. I spent two of those years as Chair of this Committee. I’ve worked in Maine’s energy industry for my entire 40-year career. Over the years, I’ve gained all-of-the-above energy experience as an asset manager of thermal, hydroelectric, and wind generation assets.

I currently work as an asset manager for Onward Energy, an independent power producer that owns and operates nearly 7 GW in 22 states. Onward Energy has three wind farms here in Maine – Hancock Wind, Oakfield Wind, and Bingham Wind – with an installed capacity of 383 MW.<sup>1</sup> Onward is the largest onshore wind owner in Maine.

Elevating the Governor’s Energy Office to a full cabinet position is long overdue. Energy

---

<sup>1</sup> See <https://www.onwardenergy.com/our-projects/> for more information about our assets.

supply and costs are a high priority for the citizens of Maine, and there needs to be a cabinet-level position to reflect this. The bill before you today will accomplish what has been recommended by two administrations, and now is the time to get this change over the finish line.

L.D. 1270 has two main components: One, the creation of the Department of Energy Resources (“DOER”); and two, placing procurement capability within that new department—a task which, up to now, has been led by Maine’s PUC. While I agree that the Committee should proceed with L.D. 1270, the ratepayers of Maine will be better served if this bill is amended to ensure that Mainers won’t have to pay for stranded costs associated with energy generation during negative energy pricing events under future renewable energy procurements.<sup>1</sup>

Under Maine’s current state-sponsored renewable energy contracts, renewable energy generators are perversely incentivized to produce power during periods of grid congestion. This is because *Maine ratepayers*—rather than the energy generator—absorb the cost of negative energy pricing. The costs of negative energy pricing are significant: Versant reported to the PUC that after Weaver Wind started producing energy under a Maine PPA in late 2020, ratepayers endured \$234,830 in stranded costs from the first six days of Weaver Wind’s operations.<sup>2</sup>

And just last week, while all three of Onward Energy’s wind sites were economically curtailed, Weaver Wind continued to generate energy while prices for energy were negative – including a few hours while prices were at the market floor of -\$150/MWh.<sup>3</sup> These additional—and unnecessary—costs are passed on directly to the end user: Maine’s ratepayers.

This happens because Maine’s standard form contract obligates that utilities must pay energy generators the additional costs for energy produced during negative energy pricing events. This means that in addition to paying the full contract rate to such energy generators, the utilities

---

<sup>1</sup> When renewables produce more electricity than is needed, and demand is low or transmission bottlenecks occur, the price of electricity drops below \$0.00. This phenomenon is called a “negative energy pricing event.”

<sup>2</sup> December 21, 2020, Letter from Versant Power in Docket No. 2019-00317 stated that “Versant Power recorded net ISO-NE revenues of \$(87,244) for real-time energy in the first six days of the Facility’s production. Coupled with the PPA expense of \$(147,586), the net expense to Stranded Cost is \$(234,830).”

<sup>3</sup> See <https://www.iso-ne.com/isoexpress/web/reports/pricing/-/tree/lmps-rt-hourly-final>.

also must bear the cost of the negative energy prices paid for power produced during periods of grid congestion. The utilities then pass these costs on to ratepayers.

This means that Mainers are paying for energy generators to produce energy that is less than worthless. In fact, it is *negative* in value.

Maine's form energy contracts are an outlier in New England. The three southern states in ISO New England's (ISO-NE) energy market territory—Massachusetts, Rhode Island, and Connecticut—have adopted negative energy price provisions in their energy contracts. These provisions stipulate that energy generators must pay for the extra costs incurred for producing energy when the price of energy is negative. Put another way, the energy generator's PPA revenue is reduced by the amounts accrued under \$0.00, which is the uneconomic cost of generating energy during a negative pricing event.<sup>4</sup> Unlike Maine, under those procurement contracts, energy generators typically stop their energy production when the market price for energy is around \$0.00.

If Maine proceeds with multi-state procurements with these other New England states, Maine's form PPAs need to be the same as PPAs in these other ISO-NE states by including negative energy pricing provisions.<sup>5</sup> To fix the problems posed by Maine's current form PPAs, an amendment to L.D. 1270—a proposal of which is attached as Exhibit A—should align with the negative energy price provisions in other New England states' energy contracts.

Moving forward, negative energy price events are expected to happen more frequently,<sup>6</sup> especially after a prospective Northern Maine project starts producing energy. And if a Northern

---

<sup>4</sup> For example, if the energy generator's PPA is \$20 and market price is -\$5, the generator would be paid \$15. The generator pays for the negative cost of energy and both the generator and the utility share the economic curtailment risk.

<sup>5</sup> On April 1, 2025, the PUC issued a *Second Request for Information and Indications of Interest for Renewable Energy Generation and Transmission Projects Pursuant to the Northern Maine Renewable Energy Development Program in Case No. 2024-00099*, which states that the "Commission may seek to partner or coordinate with other states, governmental entities, or utilities within New England" at page 2.

<sup>6</sup> ISO-NE, October 24, 2024, *Economic Planning for the Clean Energy Transition: Illuminating the Challenges of Tomorrow's Grid*, see <https://www.iso-ne.com/static-assets/documents/100016/2024-epcet-report.pdf> at 25.

Maine project is approved without a contractual provision that protects ratepayers from the costs of negative energy prices, that project will be incentivized to run during times of negative energy prices. This will cause prices Maine to more frequently reach the market floor of -\$150/MWh, as it did last week.

Whether it is the PUC or the DOER that conducts procurements in the future, the legislature must act so that the administrative body overseeing the procurement will adjust its contracts to *disincentivize* energy generators from running during periods of negative energy prices. Ultimately, this means putting the cost of energy generation below \$0.00 on the generator, rather than the utilities and ratepayers.

I encourage this committee to pass L.D. 1270, and to add a small but impactful amendment that requires all future energy contracts through either the PUC or the DOER's RFPs to include a provision that shifts the additional cost of negative energy prices to energy generators. Making this amendment to L.D.1270 will lower stranded costs for Maine ratepayers, provide better rate transparency, increase renewable energy integration into the grid in less congested areas, and create a fairer system for existing renewable energy providers.

**EXHIBIT A – Proposed Amendment to L.D. 1270**

An unallocated provision in Sec. \_\_ is enacted to read:

**§\_\_. Negative Pricing in Procurement and Contracting of Renewable and Clean Energy Resources.** Any contract approved by the Commission or the GEO for a state procurement of renewable and clean energy resources shall include a provision that requires that payments to a Seller shall be reduced by the difference between the absolute value of the LMP at the delivery point and \$0.00 per MWh for each period of time that the Seller delivers energy when the market price for such energy at the delivery point is negative in the real-time or day-ahead markets.