



Testimony in Support to L.D. 1270, “An Act to Establish the Department of Energy Resources”

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Senator Lawrence, Representative Sachs, Members of the Committee. My name is Bob Cleaves. I am the co-founder of Dirigo Solar, LLC.

As I believe many of you are aware, we are a utility scale developer of solar in Maine. Our Portland-based team, together with our partners at Dublin-based BNRG Renewables, have proudly built the State’s largest portfolio of utility scale projects in the State, selling power to CMP and Versant pursuant to long term, affordable contracts. As reflected in our work when serving on Governor Mill’s NEB Working Group, we firmly believe that competitive solicitations are the future of clean energy deployment. And because we have significant experience with competitive solicitations, I want to focus on that aspect of LD 1270, which is Section 10313 of the Bill.

I want to preface my remarks by stating that energy procurement is hard and, frankly, not entirely successful in our state. It’s a constantly changing landscape of policy and economics. There’s a reason that our business is called the “solar coaster.” The procurement process needs to result in actual deployment and investment but in a way that creates rate-payer value. Without that value, Mainers will be less likely to support it, regardless of its environmental benefits. I am particularly mindful of the impacts of any program—whether its NEB or procurement—on low income Mainers.

First, LD 1270 speaks in terms of procuring “renewable and clean resources.” That phrase needs to be defined, and I would encourage the Committee to adopt a broad definition that includes both existing resources, and any low carbon emitting sources. The focus should be promoting in-state, affordable generation.

Second, we note that the bill gives the newly formed committee the flexibility to acquire RECs or power. That is a departure from the existing 35-A MRSA 3210-J which requires bidders

to propose a “bundled” product. We are agnostic to this policy choice, but the Committee needs to be aware of this decision.

Third, we applaud a defined and predictable schedule for procurements. I am not sure what more can be done to reinforce the importance of adhering to procurement deadlines. When we see legislatively imposed deadlines, we make investment decisions—about how much we invest in permitting, land control, grid deposits (some of which are non-refundable).

Fourth, we endorse the criteria “cost-effective *clean generation*” but would suggest making it clear that the Department use a “mark to market” definition, meaning the cost is compared to the cost of other renewable resources in the region that furthers the state’s energy goals. In creating this definition—and also recognizing other, non-quantifiable goals—its entirely appropriate to establish “guard rails” around the cost by creating a “not to exceed” price that can be established in law and perhaps reviewed every two years.

Fifth, regarding the evaluation and selection section, we are not sure the law needs to state the need to avoid, minimize or compensate. That obligation is already in existing law.

Finally, we welcome the authority to retain outside consultants and have those fees be paid by bidders. The success of past procurements has been harmed by the lack of this authority. In summary, we endorse reforms to the existing procurement process. They are timely and important. Thank you for your time and we look to participating in the workshop.