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Testimony of the Maine Public Utilities Commission

Neither For Nor Against

LD 1063, An Act to Require Competitive Procurement of Electricity from Generators Fueled by Municipal Solid Waste in Conjunction with Recycling

April 9, 2025

Senator Lawrence, Representative Sachs, and Distinguished Members of the Joint Standing Committee on Energy, Utilities, and Technology (Committee), my name is Deirdre Schneider, testifying neither for nor against LD 1063, An Act to Require Competitive Procurement of Electricity from Generators Fueled by Municipal Solid Waste in Conjunction with Recycling on behalf of the Public Utilities Commission (Commission).

LD 1063 (sponsor's amendment) requires the Commission to conduct one or more competitive solicitations to procure up to 35 megawatts for energy and renewable energy credits from generators fueled by municipal solid waste in conjunction with recycling that is licensed by the DEP as a solid waste facility. It requires the first solicitation to be initiated by November 1, 2025, and specifies the contract price must be below seven cents per kilowatt-hour for each contract year. The contracts are for terms of no less than five years and no more than 15 years, unless the Commission determines a longer term is prudent. LD 1063 requires the Commission to adopt rules to implement this law.

LD 1063 requires the first solicitation to be initiated by November 1, 2025. The Commission requests if the Committee moves forward with this legislation that the date for initiation be moved to a later date at the end of 2025 or the beginning of 2026 to allow sufficient time to develop the request for proposals.

Additionally, the Commission does not think rulemaking is needed to implement the provisions contained in LD 1063. The bill includes specific requirements, and rulemaking would not add any value to this procurement. If the Committee moves forward with this bill and does not move the date for the initiation of the first solicitation and keeps the rulemaking requirement, it will not be possible to both adopt the rule and initiate the first solicitation by November 1, 2025. In fact, the date for the initiation of a solicitation would need to be moved even later than suggested (likely March 2026).

Lastly, LD 1063 specifies that the price for contracts must be below seven cents per kilowatt-hour for each contract year. Since this bill requires the Commission to procure both energy and renewable energy credits, it is unclear if this price cap is on the energy alone or is for both the energy and renewable energy credits. If moving forward with LD 1063, it would be helpful if the Committee provides this clarity.

I would be happy to answer any questions or provide additional information for the work session.