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TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

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

GOVERNOR'S ENERGY OFFICE
April 9, 2025

Senator Lawrence, Representative Sachs, and Members of the Joint Standing Committee on Energy, Utilities and Technology (EUT): My name is Caroline Colan, and I am the Legislative Liaison for the Governor's Energy Office (GEO).

The GEO testifies neither for nor against L.D. 1063.

As designated under Maine's Renewable Portfolio Standard (RPS), generators fueled by municipal solid waste (MSW) in conjunction with recycling, or waste-to-energy facilities, are eligible Class II resources. In 2023, MSW generators contributed 254,295 renewable energy certificates (RECs), or 8.7% of the total Class II RECs used to satisfy Maine's Class II renewable resource portfolio requirement. These RECs were generated by four certified facilities, including two in Maine, one in Massachusetts, and one in New Hampshire according to the Maine Public Utilities Commission's Annual Report on New Renewable Resource Portfolio Requirements covering 2023 activity.

Title 35-A §3210 sub-§3 paragraph A as enacted by Public Law 2019, chapter 477 established a 300% multiplier to the "output of a generator fueled by municipal solid waste in conjunction with recycling that has obtained a solid waste facility license from the Department of Environmental Protection" with a repeal clause effective January 1, 2025. Pursuant to Public Law 2023, Chapter 361, this repeal clause was extended to January 1, 2027. This means each REC corresponding to each megawatt-hour generated by a qualifying municipal solid waste facility can be counted as three RECs by an entity retiring the REC for the purpose of compliance with Maine's Class II RPS requirement. This multiplier effectively allows two-thirds of the electric load that complies using waste-to-energy resources to be served without an associated renewable certificate, since one REC satisfies the obligation for three MWh of load. In 2024, Sustainable Energy Advantage prepared an Assessment of Maine's Renewable Portfolio Standard ("SEA Assessment") for the GEO.¹ This Assessment identified that no other state in New England employs a REC multiplier for any resource.

¹ <https://www.maine.gov/energy/sites/maine.gov.energy/files/inline-files/Maine-RPS-Impacts-and-Procurement-Policy-Options-Report-Master-FINAL.pdf>

We recognize that waste-to-energy is a part of an established waste management hierarchy in the state of Maine, as defined by Title 38 §2101, which preferences waste-to-energy over landfilling, and that the 300% multiplier and associated sunset was the product of broad, bipartisan negotiations in this committee in 2019 that aimed to balance several state policy objectives. Today there are three waste-to-energy incinerators in Maine: ecomaine in Portland, Mid-Maine Waste Action Corporation ("MMWAC") in Auburn, and the EPEC facility in Orrington. All of these facilities face significant operation and maintenance costs and some have faced other challenges in recent years that have limited operations and the ability to accept waste at their site. The SEA Assessment analyzed the impact of Maine's RPS on operations spending and revenue generation and found that between 2013 and 2022, Maine's RPS supported \$5.65 million in annual spending on operations and maintenance at MSW facilities.

As the sunset date for the MSW REC multiplier approaches, it is our assumption that this proposal was put forward to identify an alternative long-term revenue source to support operations and maintenance of these facilities which have also faced recent insurance rate increases. We question whether a procurement for energy from these generators, which would allow for out-of-state MSW facilities certified under Maine's RPS to participate, is an appropriately targeted mechanism to provide the long-term economic security these facilities require to continue their operations as part of Maine's waste management hierarchy. We also want to better understand how this proposal balances Maine's waste management needs with the state's long-term energy policy goals.

Thank you for your consideration and I welcome any questions.

A handwritten signature in black ink that reads "Caroline Colan". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Caroline Colan, Legislative Liaison
Governor's Energy Office