April 14, 2025

The Hon. Denise Tepler, Co-chair The Hon. Victoria Doudera, Co-chair Joint Standing Committee on Environment and Natural Resources State House Augusta, Maine 04330

Re: Testimony <u>Neither for Nor Against L.D. 269</u>, "Resolve, Regarding Legislative Review of Portions of Chapter 375: No Adverse Environmental Effect Standards of the Site Location of Development Act, a Major Substantive Rule of the Department of Environmental Protection," and Testimony <u>Neither for Nor Against L.D. 1458</u>, "An Act Regarding Compensation Fees and Related Conservation Efforts for Solar and Wind Energy Development and High-impact Electric Transmission Lines Under the Site Location of Development Laws"

Dear Sen. Tepler, Rep. Doudera, and members of the Environment and Natural Resources Committee:

On behalf of Longroad Energy (Longroad), I am writing to offer testimony neither for nor against L.D. 269, "Resolve, Regarding Legislative Review of Portions of Chapter 375: No Adverse Environmental Effect Standards of the Site Location of Development Act, a Major Substantive Rule of the Department of Environmental Protection." Longroad is also neither for nor against L.D. 1458, "An Act Regarding Compensation Fees and Related Conservation Efforts for Solar and Wind Energy Development and High-impact Electric Transmission Lines Under the Site Location of Development Laws."

Longroad develops and operates renewable energy projects in markets across the United States. In our Scarborough office, we employ a dozen people including Maine Maritime Academy graduates and U.S. military veterans who operate hundreds of renewable energy power plants across the country from a control room staffed around-the-clock. The Longroad team has been developing renewable energy projects in Maine for nearly two decades, and during that time, we have invested approximately a billion and a half dollars in the process of developing approximately 860 megawatts of clean energy here in the state.

Longroad has long practiced responsible siting of our projects, balancing Maine's need for clean and affordable energy with natural resource conservation goals. For example, our Three Corners Solar project that was put into service last year in Kennebec County provided for the conservation of 1,875 acres to protect high-value wetlands, deer wintering areas, inland waterfowl wading bird habitat, and critical terrestrial habitat.

L.D. 269

Longroad appreciates the extensive work done by the Department of Environmental Protection (DEP) and the Board of Environmental Protection to craft a reasonable rule, and for their willingness to work with the renewable energy industry to strike an appropriate balance between protection of areas that they believe are important without unreasonably increasing costs of renewable energy. In 2023, Longroad supported aspects of the legislation¹ that provided DEP with the authority to develop this rule, Chapter 375 Section 15-A. While the provisionally adopted rule is not perfect, we believe it is a workable framework if the modest changes proposed by the Maine Renewable Energy Association (MREA) are included.

The MREA amendment will ensure that the most valuable areas are protected and at the same time allow for reasonable and cost-effective development in areas, particularly in southern Maine, that have existing transmission infrastructure.

There are two components to the MREA amendment. The first sets a higher acreage threshold for what constitutes a large unfragmented habitat block in southern Maine (increasing the threshold from 250 acres to 500 acres), and increases the threshold in the midcoast and central ecoregions as well (from 500 to 750 acres). The second would eliminate the requirement that a project is responsible not only for the project footprint but also for areas beyond the project that no longer qualify as large unfragmented habitat blocks due to the project. Although the mitigation ratio is smaller for those areas, it could still be a significant additional cost.

The provisionally adopted rule with these changes incorporated would conserve valuable intact habitat blocks but also leave room on the landscape to build cost-effective renewable energy projects. Longroad would support approval of the rule under this scenario.

L.D. 1458

L.D. 1458 would require 1:1 compensation for solar, wind, and transmission projects no matter where there are located in the state (with some exceptions), and eliminate the concept of large undeveloped habitat blocks that is a central concept in the provisionally adopted Chapter 375 rules. Longroad is neither for nor against L.D. 1458 because while we are open to the concept of creating a set compensation structure, we have concerns about the potential amount of the fee and its applicability to projects that are not in areas of higher habitat value. By making this

¹ L.D. 1881, "An Act Regarding Compensation Fees and Related Conservation Efforts to Protect Soils and Wildlife and Fisheries Habitat from Solar and Wind Energy Development and High-impact Electric Transmission Lines Under the Site Location of Development Laws" (subsequently P.L. 2023 ch. 448)

element of project cost consistent and predictable, a set compensation structure could be attractive.

The approach in the Chapter 375 rules correlates mitigation fees to habitat value, which is an appropriate methodology because it incentivizes developers to locate projects in areas of lower habitat value. If L.D. 1458 were to move forward, Longroad would urge that it be modified to assure that projects located on already impacted lands (i.e., areas that do not have significant habitat value) are not penalized.

Thank you for the opportunity to share our views.

Sincerely,

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Matthew T. Kearns Chief Development Officer Longroad Energy Holdings, LLC