MREA
Maine Renewable Energy Association

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

April 16, 2025

Re: Public Hearing, LD 1358, An Act to Reduce Electricity Rates by Removing Limitations on the Ownership of Generation by an Affiliate of an Investor-owned Transmission and Distribution Utility & LD 1592, An Act to Reduce Energy Costs by Permitting the Ownership of Generation by Investor-owned Transmission and Distribution Utilities

Dear Senator Lawrence, Representative Sachs and Members of the Committee:

Thank you for the opportunity to share testimony in opposition to LDs 1358 and 1592 on behalf of the Maine Renewable Energy Association (MREA). MREA is a not-for-profit association of renewable energy producers, suppliers of goods and services to those producers, and other supporters of the industry. Our member companies include wind, solar, hydropower, biomass, and tidal energy generators and developers of such projects, as well as companies that provide services to those producers, such as environmental engineers, electricians, and general contractors.

LD 1592 would permit investor-owned transmission and distribution utilities ("utilities") to own or otherwise have interest in generation assets in accordance with standards adopted by the Maine Public Utilities Commission. LD 1358 would permit a utility affiliate to own generation assets, including when the assets are directly interconnected to the facilities owned or operated by the affiliated utility. MREA acknowledges that these are separate bills, with separate public hearings. However, we offer this joint testimony because we oppose the bills for largely similar reasons.

MREA does not believe that utilities should be allowed to reenter the generation business because it directly contradicts long-held deregulation policy and jeopardizes progress towards Maine's clean energy goals by stifling competition at the expense of Maine ratepayers. Private investment and by extension, competition, is already advancing Maine's toward its decarbonization targets and is poised to do so into the future.

Allowing utilities that have information and privileges, such as siting information and interconnection advantages, that give them a competitive advantage may dissuade engagement by private developers. These same private developers, in a competitive environment, are

uniquely positioned to innovate and drive down costs for ratepayers. Similarly, privately developed projects can cap total cost exposure, making them more competitively priced than projects owned by utilities that can seek recovery of costs from ratepayers.

The same concerns extend to the allowance of a utility affiliate to own generation assets and directly interconnect to facilities owned or operated by the affiliated utility. Not only is this anti-competitive, but it does not appear to be necessary. As an example: Avangrid, of which Central Maine Power (CMP) is an affiliate, won two offshore wind leases in the Gulf of Maine. Both leases are located in the southern part of the Gulf, just under 30 nautical miles from Massachusetts. Not only is it's water unlikely, from a geographical perspective, for projects located in those lease areas to interconnect to CMP facilities, but ISO New England's recent transmission studies indicate that all planned points of interconnection for offshore wind will be located outside of Maine.

For these reasons, MREA encourages the Committee to vote 'Ought Not to Pass' on LDs 1358 and 1592. Thank you for your consideration of MREA's testimony.

Sincerely,

Eliza Donoghue

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Executive Director