

Maine State Legislature
Committee on Energy, Utilities and Technology
May 6, 2025

## Testimony of RENEW Northeast Supporting LD 1868

An Act to Advance a Clean Energy Economy by Updating Renewable and Clean Resource Procurement Laws

Chairpersons Lawrence and Sachs, and members of the Energy, Utilities & Technology Committee, I am Francis Pullaro, president of RENEW Northeast, Inc. (RENEW), here in support of this legislation giving the Governor's Energy Office (GEO) the authority to issue clean energy procurements on a predictable schedule with the goal of securing sufficient clean energy supplies to meet the state's comprehensive state energy plan. The responsibilities given to GEO will ensure the state's plan is affordable for consumers, meets its environmental requirements, fosters local economic development, and ensures a reliable electric power system. Key points:

- Often lost in recent debates on the cost of electricity in Maine is that the fossil fuels used to generate electricity have been the biggest driver of the volatility and spiking prices on consumer electric bills. New England is vulnerable in the winter to energy price spikes associated with constraints in the delivery of natural gas and importing of oil. Long-term clean energy contracts, which lock in steady prices for decades at a time, provide benefits that offer less price volatility and lower electricity market prices. As New England continues to invest in clean energy, consumers will continue to benefit from their effective hedges against natural gas prices. Renewables also free up fuel inventory during cold snaps. With additional renewables, fossil-fueled generators could be used for reserves. This also lowers emissions.
- Periodic clean energy procurements will send interim and long-term market signals necessary for attracting new investment to Maine;
- The bill's procurement program will build on and not replace existing statutory clean energy obligations (e.g., the Northern Maine Renewable Energy Development Program);
- Section 26 of the bill enables procurement participation for existing and repowered renewable energy credit (REC) eligible projects. This program would be complementary to new deployment and a backstop to the potential for future project delays that may arise in Maine as load grows significantly and Maine seeks to meet economy wide greenhouse gas emission reduction requirements. RENEW notes that the 2 percent procurement quantity may be insufficient to achieve these objectives, and recommends that, for repowering resources, the contract length should be for at least 15 years.

<sup>&</sup>lt;sup>1</sup> The comments expressed herein represent the views of RENEW and not necessarily those of any particular member of RENEW. RENEW Northeast (<a href="https://www.renew-ne.org">www.renew-ne.org</a>) unites environmental advocates with developers and operators of the region's largest clean energy projects to coordinate their ideas and resources with the goal of increasing environmentally sustainable power generation in New England from the region's abundant renewable energy resources.

- As this committee has heard in previous public hearings regarding procurement, the bill should be amended to require new clean energy contracts no longer place the energy market negative price risks on consumers and existing generators. Maine is an outlier with this practice; it is a threat to the viability of existing uncontracted renewable energy resources and those whose contracts require them to assume the negative price risks. States like Connecticut and Massachusetts, which are likely to partner with Maine in future renewable energy procurements, have structured their RFPs so that the seller assumes the risk of negative prices.
- The bill should be amended in Section 6 so that eligible "clean resource" is defined in statute as the state's other clean energy policies are and not through rulemaking. The emissions profiles of clean energy technologies are apparent and do not require a complicated rulemaking that will be costly to taxpayers and introduce unnecessary delays due to the agency staff time to complete.
- As electricity delivered to points outside of the state does not benefit Maine consumers, the language in Section 6 of the bill allowing energy to be delivered to Maritimes Control Area should be limited to the portion of system covered by the Northern Maine Independent System Administrator. All other qualifying energy should be delivered to the ISO New England Control Area.

Thank you for the opportunity to comment on this legislation.