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04333-0001

DAN BURGESS
DIRECTOR OF GOVERNOR'S
ENERGY OFFICE

TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

**An Act to Direct the Public Utilities Commission to Conduct Procurements for Energy or
Renewable Energy Credits**

L.D. 597

GOVERNOR'S ENERGY OFFICE

May 21, 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 in support of L.D. 597.

Thank you for the opportunity to provide comments and suggestions on the sponsor's amendment to L.D. 597. Comments provided in this testimony will specifically focus on the competitive procurement under 35-A MRSA §3210-J which was established in the 131st Legislature.

From our perspective, the procurement established under §3210-J was designed to achieve two primary outcomes: 1) To add another tool to the toolbox that for addressing the challenges of PFAS contaminated farmland in Maine by providing an opportunity for farmers with contaminated land to benefit from renewable energy development, such as solar, on their land, providing a source of income where there many no longer be one, or one that is much more limited; and 2) To backfill remaining capacity that dropped out of the 2020 and 2021 Renewable Portfolio Standard procurements due to significant supply chain disruptions and inflationary pressures experienced during the pandemic. As directed by statute, the RFP for new renewable energy projects under §3210-J required that projects procured through the RFP result in reduced electricity costs for Maine customers, with a preference for projects located on farmland contaminated with PFAS as well as projects that avoid locating on active farmland or forested land. These three factors resulted in unanimous support from the Legislature.

While the September procurement did not result in any awarded contracts as it is our understanding that none of the bids were determined to be ratepayer beneficial, GEO agrees that the goals of the program continue to offer merit and a second opportunity to solicit projects with the added clarity proposed by L.D. 597 is warranted. GEO would recommend, however, that paragraph D in section 2 of the amendment be modified such that the Commission would initiate only one competitive solicitation and not initiate additional solicitations every 12 months. This would avoid the prospect of potentially conflicting or duplicative future procurements by the Commission and the Department of Energy Resources, and would be consistent with the broader procurement transition being discussed by the Committee this session.



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To ensure the lowest cost outcome of this procurement, GEO also recommends the Committee consider striking the cost containment language under Sec. 3. of the bill which could artificially increase the bids or influence the behavior of participating project developers. Consistent with other recent discussions regarding the standard of review in competitive procurements, it's GEO's recommendation that this section focus on ensuring procurements are competitive and demonstrate ratepayer benefit – effectuated through the language in section 2, paragraph F, subparagraph 2 – rather than potentially influencing bid prices or the competitive nature of the bids by setting a specific cap in statute.

Thank you for your consideration.

A handwritten signature in black ink that reads "Caroline Colan". The signature is fluid and cursive.

Caroline Colan, Legislative Liaison
Governor's Energy Office