



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

May 21, 2025

Re: Public Hearing, LD 597, An Act to Direct the Public Utilities Commission to Conduct Procurements for Energy or Renewable Energy Credits

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

Thank you for the opportunity to share testimony in support of LD 597, *An Act to Direct the Public Utilities Commission to Conduct Procurements for Energy or Renewable Energy Credits*, 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 and developers, such as environmental engineers, electricians, and general contractors.

LD 597, as modified by the Sponsor's Amendment distributed to interested parties on May 16, proposes to make changes to the existing "contaminated lands procurement" statute as advised by the Maine Public Utilities Commission (Commission), initiating a new procurement, and direct a procurement of existing renewable resources, among other initiatives. MREA supports this legislation as a critical measure to set right contaminated lands legislation that was universally supported by the Maine Legislature and to support the forest products industry and existing renewable energy generators.

During the 131st Legislature, this Committee unanimously passed a bill to procure low-cost, grid-scale renewable energy, directing the Commission to assign preference to projects located on contaminated lands. The Committee, and MREA, whole-heartedly supported the legislation as a way to bring new ratepayer beneficial renewable energy to Maine's energy mix *and* to support farmers and landowners whose lands had been contaminated by PFAS and other contaminants.

www.renewablemaine.org

Regrettably, the Commission did not select any bids in the initial procurement.¹ However, the Commission described in an April 4, 2025 memo to the Committee ways that the statute could be modified to affect a different result. LD 597 includes many of those recommendations, as well as retains that any awarded bids be ratepayer beneficial.

As soon as possible action on the part of the Maine Legislature and the Commission to commence a new competitive solicitation and select bids is essential for the following reasons:

- Projects that bid into the original procurement have impending interconnection payment deadlines that can not be delayed. Those projects will not make those payments, which can exceed a million dollars, unless they have secured a reliable route to market (i.e., their bid is selected). In the absence of a reliable route, the projects would forgo their place in the interconnection queue, which would further delay the projects, adding to additional costs.
- The cost-effectiveness of the projects that bid into an updated solicitation may be reliant on federal tax credits, which may be modified by Congress. A recent committee vote would require that projects achieve an “in-service date” prior to 2029 in order to be eligible for tax credits. Though the committee vote is not a final act, it does demonstrate that there are efforts afoot to phase-out the credits on a timeline that may be challenging to achieve. In order to increase the likelihood that projects receive the tax credits—savings that would be passed along to ratepayers—action needs to happen soon.
- A portion of the original “contaminated lands” procurement was meant to recover attrition from procurements in 2020 and 2021, which was significant due to unanticipated increases in equipment, labor, and interconnection costs. That attrition has not been addressed since 2021—continued delay risks achievement of Maine’s clean energy targets.

We appreciate concerns from the Commission on what is an undoubtedly aggressive timeline. However, the fact that the majority of bids are already prepared and that the Commission has recently run a very similar procurement, coupled with the urgency described above, merits the timeline.

Section 6 of the bill calls for a procurement of existing renewable energy resources. Past, very similar procurements have proven to be beneficial to ratepayers and to the “winning” facilities.² The four operating projects procured pursuant to section 35-A M.R.S. § 3210-G yielded nearly \$3 million in ratepayer benefits in 2024.³ Furthermore, as an example, the award

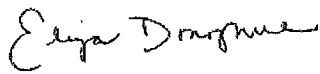
¹ See Request for Proposals for the Sale of Energy and Renewable Energy Credits to Promote the Reuse of Contaminated Land Pursuant to 35-A M.R.S. § 3210-J, Docket No. 2024-00235.

² See Maine Public Utilities Commission, “Report Regarding the Status of Contracts for Class 1A Resources Procured Pursuant to 35-A M.R.S. § 3210-G and the Distributed Generation Resources Procurement Conducted Pursuant to 35-A M.R.S. § 3209-D”, submitted to the Energy, Utilities and Technology Committee on March 31, 2025.

³ *Id.*

to a standalone biomass facility in Livermore Falls not only supported the facilities direct employees, but the forest products industry that relies on the facility as an outlet for forest residues that would otherwise be landfilled. This procurement, on an accelerated timeline, is also necessary because Maine has not sought to procure existing resources since 2021. Maine's hydropower, biomass, and other existing renewable resources require an influx of capital in order to remain viable—LD 597 would set into motion a procurement that would support the continued viability of facilities that contribute to Maine's clean energy economy and renewable energy goals.

Sincerely,

A handwritten signature in cursive script, reading "Eliza Donoghue".

Eliza Donoghue, Esq.
Executive Director