



Maine Renewable Energy Association

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

January 20, 2026

Re: Public Hearing, LD 838, An Act to Establish the Maine Clean Energy Authority

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

Thank you for the opportunity to share testimony neither for, nor against LD 838, *An Act to Establish the Maine Clean Energy Authority*, 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, and biomass 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.

MREA supports the pursuit of revenue bonds to fund clean energy generation and transmission projects, as well as the bill's intent to bolster generation and transmission infrastructure for the purposes of economic development and achievement of Maine's clean energy goals. However, MREA respectfully opposes the creation of a new procurement authority because it is unnecessarily duplicative of the Maine Department of Energy Resources' (DOER) authority and has elements that may unwittingly undermine new generation and transmission development. Should the Committee advance LD 838, we strongly recommend that you first amend it.

In November 2025, DOER (then the Governor's Energy Office) published a "Maine Clean Energy Financing Study".¹ The study suggests that DOER establish a working group to evaluate "the need for new revenue bonding authorities linked to energy projects at an existing state-level entity. Engage with in-state and regional agencies with experience in bonds." The study states that revenue bonds "represent a critical financing mechanism for state and local governments, enabling the funding of specific projects that generate their own revenue streams. Unlike general obligation bonds, which are backed by the full taxing power of the issuer, revenue bonds are secured by the revenues derived from the operation of the financed project,

¹ See Maine Clean Energy Finance Study, prepared for DOER by Banyan Infrastructure, published November 2025.

such as tolls, user fees, or lease payments." MREA strongly supports exploring alternative financing mechanisms as a strategy to lower costs. That said, all new financing mechanisms, if relied on, must be more competitive than existing funding. For example, long term power purchase agreements are traditionally perceived as low risk and by extension, lower cost.

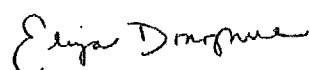
Absent significant amendments that address the following concerns and questions, MREA opposes the creation of a Maine Clean Energy Authority (Authority) for the following reasons:

- The proposed Authority's charge to conduct competitive solicitations for new infrastructure is wholly duplicative and thus redundant of DOER's procurement authority. MREA strongly supported and continues to support DOER in this role because it promotes predictability and consistency, which are fundamental to attracting new development and investment in the state.
- The proposed Authority's charge to "identify and establish" transmission corridors, while on its face a concept grounded in good planning, may be problematic. Transmission right-of-ways are often purchased decades in advance of actual build-out, because of the challenges inherent in connecting the sometimes hundred of parcels necessary to support a line. Purchasing rights-of-way well in advance of generating revenue necessary to pay back bondholders is a challenge in and of itself, as is creating a new entity with eminent domain authority - that although occasionally necessary for large infrastructure, can be politically problematic.
- It is unclear how the bonding authority would be used in regional procurements, which MREA anticipates will be used increasingly often to fund large generation and transmission projects. Similarly, most new transmission projects are built for reliability purposes and the costs are distributed amongst the states in our shared, regional grid. These important and often necessary reliability projects are the primary driver of the transmission component of electricity bills. In order for this bill to achieve its cost-savings intent, it must mesh with regional procurements and shared project expenditures.
- MREA opposes attaching organized labor agreements and requirements to projects financed by revenue bonds. The vast majority of new clean energy generation projects in Maine have been built by Maine-based, non-unionized general contractor entities. Any proposed attachment would dissuade interest in the solicitation by these entities and other Maine-based, employee-owned entities and by extension, limit the potential cost savings associated with revenue bonds and opportunity to support existing, Maine-based contractors and entities.
- MREA opposes utility ownership of energy storage. Indeed, storage will play an increasingly important role in the efficient operation of the grid. However, MREA does not believe utilities need to build, own, and operate storage projects for the grid to realize those benefits. The private marketplace is ready, willing, and able to serve that role.

Privately developed projects that cap total cost exposure will be more competitively priced than projects owned by utilities that can seek recovery of costs from ratepayers. Even utility-developed projects that do not expose ratepayers to risk are problematic. Utilities have information and privileges, such as siting information and interconnection advantages, that give them a competitive advantage that may dissuade engagement by private developers that are uniquely positioned to innovate and drive down costs for ratepayers.

Thank you for your consideration of MREA's testimony. We are committed to staying engaged in this bill as it moves through the Committee.

Sincerely,



Eliza Donoghue, Esq.
Executive Director