

## **Testimony of Gordon L. Weil in favor of LD 82**

### **Resolve, To Provide for Participation of the State in the Planning and Negotiations for the Atlantic Loop Energy Project**

Before the Joint Standing Committee on Energy, Utilities and Technology

February 18, 2021

I am Gordon Weil. I served as Maine Commissioner of Business Regulation, Director of the Office of Energy Resources and as Maine's first Public Advocate. I chaired the negotiations that created the New England grid and ISO-NE and, in my consulting business, had many clients in Canada in addition to my core U.S. business. I have an A.B. from Bowdoin and a Ph.D. from Columbia University.

#### **What is the Atlantic Loop?**

It is a proposal by the Canadian federal government to link the transmission systems of eastern Canada (New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island and Quebec) for the purpose of increasing the use of renewable energy in all five provinces. The Canadian government is providing financial support. It is now the subject of discussions in Canada.

#### **How could it be important to Maine?**

The Atlantic Loop will involve the use of high voltage transmission located in Maine. There are at least two options. One would use the existing transmission paths between New Brunswick and northern Maine. These two lines could be used to sell renewable power (most likely hydro and wind) into the New England market and to purchase renewable power from the New England market. The second could involve the use of the New England Clean Energy Connect, if built, as part of the Atlantic Loop, which could avoid new construction. Either way, Maine would be affected.

#### **Why would Maine seek to participate in Atlantic Loop planning?**

Maine has complementary interests to the Atlantic Loop. It seeks increased power supply from renewable sources. It favors in-state renewable development, which can result in resources having excess power that could be exported to eastern Canada. To the degree there are south-to-north energy flows to eastern Canada, the transmission system in Maine would become more reliable without additional capital cost. In short, in any negotiations, Maine would bring important elements to the table: potential renewable supply and market, improved transmission access and reliability for both sides and economies of scale. In addition, the Atlantic Loop could be a lower cost alternative to ISO-NE or a complement to Maine's New England role.

#### **What is the purpose of this Resolve?**

As part of the process of asserting the role of the Legislature in setting State policy, it would place the Legislature on record in support of discussing the Atlantic Loop with the parties

already involved. Maine's options could be explored and, if the project were determined to be beneficial to the State, Maine could become formally involved in negotiations.

### **Does the Resolve commit the State?**

It does not commit the State in any way beyond seeking to participate in the Atlantic Loop talks. It entails no commitment to negotiate an agreement, participate in the Atlantic Loop, or to sell or purchase power. It is limited to directing the executive branch to seek to enter the planning discussions and proceed to negotiate if appropriate.

### **Are there risks for the State if it does not participate?**

No, this Resolve is not based on a concern about possible harm to State interests. Instead, it might open a path to benefit to the State from a project happening on its borders. At worst, Maine would not be allowed to enter the discussion. It could withdraw at any time if it determined the talks were of no possible value.

### **Is this a matter for utilities and not State government?**

In Canada, negotiation of such matters are conducted by provincial governments and, in some cases, the federal government. This is the case even when the provincial utility is investor-owned (in PEI and Nova Scotia). Maine would enter into contact with the Canadian federal energy ministry and the provincial governments. Utilities are involved by the governments as appropriate

### **Would this be a way for Hydro Quebec to increase its New England sales?**

This is a Canadian federal project not an HQ initiative. The largest potential exporter in this project to other provinces and elsewhere is Newfoundland and Labrador (Nalcor).

### **Is there precedent for such involvement of Maine with Canada?**

Gov. Joseph Brennan and I conducted such discussions relative to potential electric power and natural gas projects. More recently, in the predecessor discussion to the Atlantic Loop, I was invited, as a private U.S. participant, to take part in talks with the four Atlantic provinces.

### **When will participation be timely?**

Given the work under way in Canada, Maine would stand to gain greatest value from joining the discussions as soon as possible.

### **Links**

[Weil commentary](#) in *Portland Press-Herald*, September 29, 2020.

Canadian Institute for Climate Choices "[Loop Dreams](#)" October 13, 2020.

Atlantic Canada Business "[Atlantic Loop Concept Coming](#)" January 12, 2021.