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TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

**An Act To Cap the Value of Contracts for Renewable Resources
and Distributed Generation Resources**

L.D. 634

GOVERNOR'S ENERGY OFFICE

March 16, 2021

Senator Lawrence, Representative Berry, and Members of the Joint Standing Committee on Energy, Utilities and Technology (EUT): My name is Melissa Winne and I am the Energy Policy Analyst of the Governor's Energy Office (GEO).

The GEO testifies in opposition to L.D. 634

During the 129th Legislative Session, the Maine Legislature enacted an Act To Reform Maine's Renewable Portfolio Standard (P.L. 2019, Chapter 477). This act increased Maine's Renewable Portfolio Standard (RPS), requiring 80% of Maine's electricity to come from renewable sources by 2030, with a goal of 100% by 2050. This Act also directed the PUC to conduct two competitive solicitation processes to procure renewable energy equal to 14% of retail electricity sales in the state through an initial procurement of 7-10% by the end of 2020, and the remaining solicitation ordered by January 15, 2021. For these procurements, the Act required that a weight of 70% be given to benefits to ratepayers, and a weight of 30% be given to benefits to Maine's economy.

In September 2020, the PUC selected projects for the first round of procurements, which resulted in 17 selected projects required to supply renewable electricity generation equal to about 9.5% of total retail electricity sales in the state. The projects selected were awarded term sheets for highly competitive prices, averaging 3.5 cents per kilowatt-hour (kWh). In addition to providing renewable electricity at competitive prices, these projects are estimated to reduce greenhouse gas emissions by approximately 500,000 tons per year and have committed to provide economic benefits to the state such as creating hundreds of jobs, spending more than \$145 million with Maine-based entities, and contributing millions of dollars to Maine's economy and local communities. An annual evaluation will be conducted by the PUC to determine and verify compliance with meeting these economic benefit obligations.¹

Given the success of the RPS procurement which yielded highly competitive rates and advanced projects committed to providing significant economic benefits for Maine, the GEO opposes the contract limitations proposed in this legislation. The GEO expresses concern that these changes may

¹ State of Maine Public Utilities Commission. Order Approving Term Sheets, Request for Proposals for the Sale of Energy or Renewable Energy Credits from Qualifying Renewable Resources Pertaining to Versant Energy and Central Maine Power. [Docket No. 2020-00033](#). September 23, 2020.

unnecessarily complicate and constrain the achievement of the RPS, which has already proved successful and cost competitive. In regards to the contract limitations proposed for the distributed generation procurement also considered in this legislation, the GEO recommends allowing the ongoing discussions in other pieces of legislation that propose stakeholder engagement efforts around the future of the distributed generation procurements to provide a comprehensive review and recommend proposed changes to the program. Implementing the change considered in this legislation could create confusion and complications.

Thank you for your consideration and I welcome any questions.

A handwritten signature in cursive script that reads "Melissa Winne".

Melissa Winne
Governor's Energy Office