



**Testimony of Ellen Stern Griswold, Policy and Research Director, Maine Farmland Trust, before the
130th Legislature's Joint Standing Committee on Energy, Utilities and Technology**

April 20, 2021

Good morning Senator Lawrence, Representative Berry, and members of the Joint Standing Committee on Energy, Utilities, and Technology. My name is Ellen Griswold, and I am the Policy and Research Director at Maine Farmland Trust (MFT). I appreciate this opportunity to testify neither for nor against LD 1350 – *An Act To Expand Maine's Clean Energy Economy* – and to offer an important proposed amendment that was developed in conjunction with The Nature Conservancy and Maine Audubon. If the amendment is adopted by the Committee, MFT would be happy to support LD 1350.

MFT is a member-powered statewide organization that works to protect farmland, support farmers, and advance the future of farming. Since our founding in 1999, MFT has helped to permanently protect nearly 300 farms and keep over 60,000 acres of farmland in farming, while supporting over 800 farm families with a range of services. Our four main program areas are Farmland Protection, Farmland Access, Farm Viability in the form of business planning and technical assistance to help farmers become and remain economically viable, and Public Outreach and Policy to grow the future of farming in Maine. Protecting farmland in Maine is a principal part of our mission because we believe it is essential for ensuring that we have the land base to grow our agricultural economy, particularly as more farmers reach retirement age and development pressures increase across the state. Protecting land is also a key natural climate solution by avoiding the greater emissions associated with developed land, by providing the land base to grow our local and regional food economy and create greater food security for our state, and by preserving the climate benefits that can result from farmers using climate smart practices on the land.

Agriculture is a key component of Maine's economy, contributing over \$3.6 billion in economic impact and supporting over 27,000 jobs statewide.¹ But unfortunately, Maine's farmland, the foundation of our state's agricultural economy, is a precious and limited resource. According to the 2017 USDA Census of Agriculture, between 2012 and 2017 Maine lost 10% of its farmland – that is over 145,000 acres of woodland, pastureland, and cropland.²

MFT supports solar energy production on farms as long as it does not significantly diminish the potential for agricultural production. MFT understands the importance of solar energy production for

¹ Farm Credit East, "Northeast Economic Engine: Agriculture, Forest Products and Commercial Fishing," (2020), , available at: <https://www.farmcrediteast.com/knowledge-exchange/Reports/2020%20Northeast%20Economic%20Engine>.

² In 2012, Maine had 1,454,104 acres in farmland, but by 2017 that number had dropped to 1,307,566 acres – a loss of 146,491 acres or 10% of Maine's farmland. United States Department of Agriculture (USDA), National Agricultural Statistics Service (NASS), *U.S. Census of Agriculture for 2017*, Maine, https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_State_Level/Maine/mev1.pdf.

addressing climate change, and we have appreciated being a part of the Maine Climate Council's Natural and Working Lands Working Group. We also understand that on-site solar projects can support the economic viability of a farm operation and reduce energy costs. But we must ensure that solar development in the state does not result in the loss of important agricultural lands or impede farmers' ability to access the land they need for their operations. We believe solar generation and agriculture can co-exist in Maine in a mutually beneficial manner as long as solar siting is structured to ensure the appropriate balance of these important interests.

LD 1350 would direct the Maine Public Utilities Commission (PUC) to initiate a new round of procurements for an amount of renewable energy resources, including solar and/or wind resources, equivalent to 15% of Maine's electric load. Although MFT supports the goal of LD 1350 to encourage the development of renewable energy resources to help the state meet its climate goals, MFT cannot support the bill as currently written because there is no consideration of the siting of the projects as part of the evaluation process.

As renewable energy development has increased in the state, so too has our understanding of the impacts that these projects could have on the amount of farmland taken out of agricultural production, the loss of important agricultural soils, and the competition for land that farmers, particularly beginning farmers, need to lease in order to support their operations. It is for this reason that we were thrilled to see the inclusion in the state's climate action plan of the recommendation that the state "[d]evelop policies by 2022 to ensure renewable energy project siting is streamlined and transparent while seeking to minimize impacts on natural and working lands and engaging key stakeholders." The amendment MFT is proposing along with The Nature Conservancy and Maine Audubon would further that recommendation by directing the PUC to consult with the Department of Environmental Protection (DEP) and the Department of Agriculture, Conservation and Forestry (DACF) to incorporate site location elements into the bid evaluation criteria to guide the selection of projects, and to give additional weight to projects that avoid or minimize natural resources impacts. I am attaching a copy of the proposed amendment to my testimony as Appendix A.

The inclusion of siting criteria as contemplated by the amendment would build upon the precedent of the 2019 solar bill LD 1711 – *An Act To Promote Solar Energy Projects and Distributed Generation Resources in Maine* – which required the PUC to give preference to projects located on "previously developed or impacted land" in conducting procurements for distributed generation resources, and led to the creation of additional siting criteria. In addition, it is our understanding that the Governor's Energy Office and DACF will be convening a solar siting working group this year to develop recommendations that incentivize the siting of solar energy projects that minimize impacts on natural and working lands. The recommendations from this working group could be used to inform the siting criteria that are included in the bid evaluation process if the proposed amendment is adopted.

For all of these reasons, MFT urges the Committee to adopt the proposed amendment and ensure that solar energy generation and agriculture co-exist in Maine in a mutually beneficial manner. I appreciate the opportunity to testify, and I would be happy to answer any questions that you have.

An Act To Expand Maine's Clean Energy Economy

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 35-A MRSA §3210-G, sub-§1, as enacted by PL 2019, c. 477, §2, is amended to read:

1. Competitive procurement. The commission shall conduct 2 competitive solicitations pursuant to paragraph A and 2 competitive solicitations pursuant to paragraph B-1 in order to select Class IA resources for contracts under this section.

A. Through the competitive solicitations ~~under this section~~ described in subparagraphs (1) and (2), the commission shall procure an amount of energy or renewable energy credits from Class IA resources that is equal to 14% of retail electricity sales in this State for the period from January 1, 2018 to December 31, 2018, as determined by the commission.

(1) The commission shall initiate a first competitive solicitation under this paragraph and ensure that solicitation results in the approval of contracts by December 31, 2020 for energy or renewable energy credits equal to at least 7% of retail electricity sales for the period from January 1, 2018 to December 31, 2018, as determined by the commission. If the commission determines that contracts for an amount greater than 7% of retail electricity sales will provide financial benefits to ratepayers, it may approve contracts by December 31, 2020 for up to 10% of retail electricity sales.

(2) No later than January 15, 2021, the commission shall initiate a 2nd competitive solicitation under this paragraph for an amount of energy or renewable energy credits equal to the difference between 14% of retail electricity sales and the amount approved in contracts by December 31, 2020.

B. To the extent sufficient resources are available, with respect to the competitive solicitations described in paragraph A, subparagraphs (1) and (2), 75% of the energy or renewable energy credits contracted under this section pursuant to those competitive solicitations must come from Class IA resources that begin commercial operations after June 30, 2019 and 25% must come from Class IA resources that began commercial operations on or prior to June 30, 2019.

B-1. Through the competitive solicitations described in subparagraphs (1) and (2), the commission shall procure an amount of energy or renewable energy credits from Class IA resources that is equal to 15% of retail electricity sales in this State for the period from January 1, 2019 to December 31, 2019, as determined by the commission.

(1) The commission shall initiate a first competitive solicitation under this paragraph and ensure that solicitation results in the approval of contracts by December 31, 2021 for energy or renewable energy credits equal to at least 10% of retail electricity sales for the period from January 1, 2019 to December 31, 2019, as determined by the commission. If the commission determines that contracts for an amount greater than 10% of retail electricity sales will provide financial benefits to ratepayers, it may approve contracts by December 31, 2021 for up to 15% of retail electricity sales.

(2) No later than January 15, 2022, the commission may initiate a 2nd competitive solicitation under this paragraph for an amount of energy or renewable energy credits equal to the difference between 15% of retail electricity sales and the amount approved in contracts by December 31, 2021.

B-2. To the extent sufficient resources are available, with respect to the competitive solicitations described in paragraph B-1, subparagraphs (1) and (2), 100% of the energy or renewable energy credits contracted under this section pursuant to those competitive solicitations must come from Class IA resources that begin commercial operations after June 30, 2021.

B-3. In conducting a solicitation and selecting Class IA resources for contracts under this section, the commission shall give special consideration to selection of projects in economically depressed areas of the State as determined by the commission.

B-4. In conducting a solicitation and selecting Class IA resources for contracts under this section, the commission shall give consideration to evidence of project viability, including, but not limited to, the submission of a preapplication with the relevant siting authority or the submission of an interconnection request with the New England independent system operator.

C. In conducting a solicitation and selecting Class IA resources with respect to the competitive solicitations described in paragraph A, subparagraphs (1) and (2), for contracts under this section, the commission shall weigh the benefits to ratepayers and the benefits to the State's economy as follows:

- (1) A weight of 70% must be given to the benefits to ratepayers; and
- (2) A weight of 30% must be given to benefits to the economy, which may include, but are not limited to:
 - (a) Capital investments by the Class IA resource to improve long-term viability of an existing facility;
 - (b) Payments by the Class IA resource for the harvest of wood fuel;
 - (c) Employment resulting from the Class IA resource;
 - (d) Payments by the Class IA resource to a host community, whether or not required by law or rule;
 - (e) Excise, income, property and sales taxes paid by the Class IA resource;
 - (f) Purchases of goods and services by the Class IA resource; and
 - (g) Avoided emissions resulting from the operation of the Class IA resource.

C.-1 In conducting a solicitation and selecting Class IA resources with respect to the competitive solicitations described in paragraph B-1, subparagraphs (1) and (2), the commission shall weigh the benefits of each bid as follows:

- (1) A weight of 70% must be given to the benefits to ratepayers;
- (2) A weight of 15% must be given to benefits to the economy, which may include, but are not limited to:
 - (a) Capital investments by the Class IA resource to improve long-term viability of an existing facility;
 - (b) Payments by the Class IA resource for the harvest of wood fuel;
 - (c) Employment resulting from the Class IA resource;
 - (d) Payments by the Class IA resource to a host community, whether or not required by law or rule;
 - (e) Excise, income, property and sales taxes paid by the Class IA resource;
 - (f) Purchases of goods and services by the Class IA resource; and
 - (g) Avoided emissions resulting from the operation of the Class IA resource.

(3) A weight of 15% must be given to benefits to natural resource conservation. The commission must determine these benefits in consultation with the Department of Environmental Protection and the Department of Agriculture, Conservation and Forestry. These benefits shall include, but are not limited to:

- (a) Avoiding or minimizing impacts to areas of ecological significance such as undeveloped habitat blocks;

(b) Avoiding or minimizing impacts to areas of agricultural significance such as prime agricultural soils and soils of statewide significance;

(c) Locating fully or partially on, or in close proximity to, disturbed, developed, or contaminated lands.

D. The commission shall, in accordance with this paragraph, allow energy storage systems to participate in solicitations or be awarded contracts under this section.

(1) The commission shall permit an energy storage system to bid on solicitations or to be contracted under this section only if the energy storage system is connected to the State's electricity grid, paired as a complementary resource with a Class IA resource and either:

(a) Colocated with the Class IA resource, whether metered jointly with or separately from the Class IA resource; or

(b) Located at a different location from the Class IA resource and the commission finds that inclusion of the energy storage system would result in a reduction in greenhouse gas emissions.

(2) A bid under this section that includes an energy storage system must include 2 separate bid proposals, one with the energy storage system and one without. The commission shall assess the bid proposals based on the benefits to ratepayers, which may include, but are not limited to:

(a) Reduction in costs;

(b) Decrease in peak electricity demand;

(c) Deferral of investments in the transmission and distribution system;

(d) Deferral of capital investments in new generating capacity;

(e) Increase in the electricity grid's overall flexibility, reliability and resiliency;
and

(f) Reduction in greenhouse gas emissions.

(3) An energy storage system that is not colocated with a Class IA resource may receive renewable energy credits only for stored energy generated from a Class IA resource.

(4) If chosen for a contract under this section, an energy storage system must remain stationary and under the same ownership throughout the contract term.

(5) The commission may permit an energy storage system to be paired with and added to a Class IA resource after that resource has been awarded a contract.

For the purposes of this paragraph, "energy storage system" means a commercially available technology that uses mechanical, chemical or thermal processes for absorbing energy and storing it for a period of time for use at a later time.

Sec. 2. 35-A MRS §3210-G, sub-§4 is enacted to read:

4. Rules. The commission may adopt rules necessary for the implementation of this section. Rules adopted by the commission may include, but are not limited to, provisions stipulating the financial security mechanisms that will be required as a condition of the selection of Class IA resources for contracts under this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.