



April 20, 2021

Senator Mark Lawrence, Chair
Representative Seth Berry, Chair
Committee on Energy, Utilities and Technology
100 State House Station
Augusta, ME 04333

Re: Testimony in support of LD 1350, “An Act To Expand Maine’s Clean Energy Economy”

Senator Lawrence, Representative Berry, members of the Energy, Utilities and Technology Committee, my name is Jeremy Payne and I am the Executive Director 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. MREA members sustainably manufacture electricity from hydro, biomass, wind, tidal, and solar.

MREA testifies in support of LD 1350 – Senator Vitelli led the way on the grid-scale procurement law in the 129th Maine Legislature, and has done so again with this bill. LD 1350 builds off and looks to replicate the success of the first procurement enabled by LD 1494, “An Act To Reform Maine’s Renewable Portfolio Standard.” The Public Utilities Commission (PUC) administered the bidding process, and ultimately [selected 17 Maine-based projects](#) for long-term contracts with prices ranging between 2.9 cents and 4.2 cents/kWh – these contracts included a diverse set of resources including hydro, wind, biomass, and solar. Importantly, the highly competitive pricing was not the only good news – there are also significant environmental, employment and investment benefits from these projects.

For example, the 17 projects will:

- Avoid 500,000 tons of greenhouse gases each year;
- Create 450 full-time equivalent jobs during construction;
- Provide more than 30 full-time equivalent jobs in each year of the operation;
- Spend \$145 million initially with Maine-based entities;
- Purchase goods and services worth in excess of \$3 million annually;
- Each year, host communities will average \$4.7 million in taxes and payments; and
- Harvest wood fuel averaging \$11-12 million annually.

(source: [Maine Public Utilities Commission](#))

www.renewablemaine.org

There are many similarities in this legislation and LD 1494 – e.g. procuring 15% of Maine’s electric retail load over two procurements; however, there are some notable differences which the committee should be aware of. Specifically, the bill is different in four ways:

- 1) Only resources reaching commercial operation after 6/30/21 are eligible;
- 2) It instructs the PUC to consider initiating a rulemaking around financial security;
- 3) Section B-3 requires the PUC to examine project maturity through consideration of queue positions with ISO-New England, and whether the bidder has submitted a preapplication with the siting authority; and
- 4) Requires the PUC in B-4 to give special consideration to projects in economically depressed areas.

We support all four of these provisions; however, we do suggest the committee consider making re-powered projects eligible to bid. For example, if an existing wind farm wishes to upgrade their blades to improve output and efficiency; or if a solar farm were to add an energy storage system to their existing project. These projects would be making substantial investments in their facilities that may approach the economic and environmental benefits of a brand new project. This would be different than the existing “refurbishment” standard that exists in current law, and would require the committee’s attention to help create a sufficiently narrow definition. There may also be a benefit to broadening the definition of what constitutes an “economically depressed area,” in order to ensure eligibility for those benefits to flow to different areas of the state.

Right now is an excellent time to lock in competitive pricing with federal tax credits¹ at levels that help to deliver meaningful and long-term benefits for Maine consumers. Another important policy goal to consider is sending signals to the marketplace that every year, two, or three Maine will pursue its clean energy goals through procurements. This policy signal encourages pre-development investment, due diligence, and allows companies to have projects ready to bid so as to secure competitive bidding that benefits ratepayers.

We respectfully urge the committee to vote ought to pass.²

Thank you for your time and consideration.

Sincerely,



Jeremy N. Payne
Executive Director

¹ <https://www.seia.org/initiatives/solar-investment-tax-credit-itc>;
<https://www.eia.gov/todayinenergy/detail.php?id=46576#:~:text=At%20the%20end%20of%20December,year%20through%20December%2031%2C%202021>.

² All of the views expressed in this document do not necessarily represent the positions of each of our members. Since MREA represents a broad spectrum of companies, we anticipate some members may submit comments of their own.