



SOLAR ENERGY ASSOCIATION OF MAINE

Testimony in Support of L.D. 1350

An Act to Expand Maine's Clean Energy Economy

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To the Joint Standing Committee on Energy, Utilities, and Technology

April 20, 2021

Senator Lawrence, Representative Berry, and other members of the Joint Standing Committee on Energy, Utilities, and Technology: my name is Steve Weems, Executive Director of the Solar Energy Association of Maine. We are solidly behind Maine's clean energy goals, and therefore support the additional procurements that would be mandated by LD 1350. We also support its provisions that (i) address the needs of economically depressed areas of the State, and (ii) emphasize the importance of the Commission assessing project viability in considering project proposals. Perhaps there are ways to refine these provisions to be more prescriptive, and to consider selected additional factors. Also, how the State accounts for compliance with its renewable portfolio standards remains opaque and confusing, which SEAM holds should be clarified, although not in this bill, which has a limited, specific purpose of authorizing additional clean energy procurements.

The Solar Energy Association of Maine (SEAM) is a broad coalition of solar energy supporters, advocating for the development of solar electricity of all project sizes and ownership models, for the benefit of all Maine people. It is a not-for-profit corporation governed by a diverse Board of Directors.

The additional amount of capacity to the acquired (15% of retail electricity sales for calendar year 2019), and the timing of this procurement seem right.

An especially compelling, positive feature of the bill is the requirement that 100% of the energy or renewable energy credits contracted under the new procurements specified in LD 1350 must come from Class IA resources that begin commercial operations after June 30, 2021. This is appropriate because we need to be putting new clean energy resources on the ground (or in the water). With this in mind SEAM thinks the qualifier “to the extent sufficient resources are available “ should be looked at and potentially dropped from 35-A MRSA Section 3210-G, Subsection 1.B, also new Subsection 1.B-2. We realize this is carry-forward language from the existing statute but think it potentially defeats the purpose of the statute, which is to create sufficient resources to meet the renewable portfolio standards.

SEAM lauds the concern behind the new provisions in LD 1350 directing the Public Utilities Commission (PUC) to give special consideration to projects in economically distressed areas, although the value of this may be limited by the nature of renewable energy projects – most of them have limited employment once they are operational. The incremental property taxes, however, should be especially beneficial to economically distressed areas. As far as providing direct benefits to low and moderate-income (LMI) people is concerned, this would be difficult in the commission procurements covered by this legislation because these procurements are for wholesale energy or renewable energy credits (RECs). It is more practical to create specific benefits for LMI people in a program authorizing retail energy procurements, notably the distributed generation (DG) competitive procurement program, which is the subject of another bill being presented today (LD 1435). SEAM addresses this subject in testimony on that bill.

We also think additional attention to the matter of project viability is appropriate, and we support this aspect of LD 1350. In this regard we think the identification of (i) site approval prospects, and (ii) the likelihood and costs of interconnection are critically important factors. Thankfully these factors are included explicitly in the bill. However, we think locational factors also are sufficiently important they should be added by a sponsor’s amendment or by the Committee in work session. We think this should include at least two critically

important locational considerations: (i) the proposed project's value to a dynamic and resilient grid (envisioned as the result of a holistic, strategic grid planning process) and (ii) specific consideration of the site characteristics where the project would be located. The long-term strategic grid planning we think is important is not happening yet, but it would be good to establish the precedent that all competitive procurements should be considered in this context, even if this must be done intuitively for the near-term procurements that would be mandated by LD 1350. Specific site characteristics should favor the use of disturbed sites (e.g., closed landfills, brownfield sites, re-purposed industrial sites) and protect important natural features and habitats, especially productive agricultural lands. This agricultural consideration would have to be brought into the picture carefully, since income from leasing non-prime farmland could be a key factor in enhancing the viability of a farming operation involving more total acreage. SEAM's basic recommendation is to expand the project evaluation considerations to include certain key locational factors.

The interplay among energy, RECs, and alternative compliance payment rates in satisfying RPS standards established under 35-A MRSA, Section 3210 is a broader question than the subject of LD 1350, which addresses additional competitive procurements only. These RPS compliance methods need not be addressed while considering the merits of LD 1350. However, we think this deserves attention in another forum or forums, by both the Governor's Energy Office and the PUC.

In sum, LD 1350 is a solid and necessary piece of legislation, limited in scope, to keep Maine moving forward along the path of clean energy and beneficial electrification. We urge the Committee to support it, in either its present form or perhaps amended to address the enhancements SEAM has suggested.