



SOLAR ENERGY ASSOCIATION OF MAINE

Supplemental Testimony in Opposition to L.D. 1435

An Act Regarding the Solicitation of Contracts for Distributed Resources That Use Renewable Energy

Steven L. Weems, Executive Director

Solar Energy Association of Maine

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

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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. With respect to the questions about potential bid pricing for a bundled competitive procurement of (i) energy, (ii) renewable energy certificates (RECs), and (iii) capacity value of the renewable energy resource, I don't think anyone knows from experience in Maine. To the best of my knowledge the Maine Public Utilities Commission (PUC) has not specified a recent competitive procurement, including the initial and pending RPS procurements, of this nature, although we understand it has the authority to do so. [This statement excludes the initial (2020) distributed generation (DG) competitive procurement, which by statute must include this bundle of values.] Therefore SEAM thinks what a competitive bid price for this bundle of values might be, in Maine, under truly competitive circumstances, is speculative.

However, having a sense of what such pricing might be is important to know, so we are grateful the Committee has asked the PUC to provide its own speculation on this question. We are also compelled to reiterate this is why we oppose the repeal of the distributed generation (DG) competitive procurement

program, as contemplated in LD 1435, since a new DG competitive procurement would provide a real-world answer to this question, provided such a new procurement is not “contaminated” by an overlap in project size with the net energy billing (NEB) program. Such an overlap, along with other factors, undoubtedly distorted the bid prices received during the initial DG competitive procurement. It seems the way to run a “pure” DG competitive procurement (by reducing the upper limit of the NEB program to 2 MW) probably is clear to the Committee.

In the speculation realm, based on studies of solar energy values, a competitive bundled stack of values, based on a \$0.04/kWh energy- only price from the initial RPS procurement, might be bid as follows:

Energy	\$ 0.04/kWh
RECs	0.04/kWh
Resource Capacity	<u>0.02</u> /kWh
Total bid price:	\$ 0.10/kWh

Would a project developer of a DG competitive procurement project bid into this area, if it had adequate time to prepare its bid, and could not use the NEB program for a project in the 2-5 MW range? Market speculation indicates this is possible. It would be extremely valuable to find out, especially since projects in the 2-5 MW range might be easier to site than larger projects, arguably could be located closer to load (consumers), and the DG competitive procurement program is the only clear venue by which to provide clean energy to underserved populations (renters and low/moderate-income people).

As Representative Berry pointed out earlier today, it is important to compare bid prices using the same bundle of values for each program being compared.

Thank you for considering this additional information.