



**Testimony in Support of LD 1634,
An Act To Create the Maine Generation Authority
by
Sue Ely, Climate and Clean Energy Policy Advocate and Staff Attorney**

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Good afternoon Senator Lawrence, Representative Berry, and distinguished members of the Committee on Energy, Utilities, and Technology. My name is Sue Ely, and I work for the Natural Resources Council of Maine. I am pleased to testify today in support of LD 1634, An Act To Create the Maine Generation Authority.

Maine faces a monumental task over the next several decades. We must decrease greenhouse gas emissions by 45% by 2030 and 80% by 2050, and achieve carbon neutrality by 2045. We are in a race to decrease our greenhouse gas emissions because Maine is already experiencing the effects of climate change. Failure to achieve these statutorily mandated emission reductions will further exacerbate the environmental, social, and economic impacts of climate change.

Mainers are already feeling the impacts of increasing temperatures, rising sea levels, and changing weather patterns. Increasing numbers of ticks and Lyme disease threaten our health and outdoor recreation, invasive marine species and warming oceans hurt our fisheries, and extreme weather hurts our farms and damages our infrastructure. Climate models suggest that Maine may warm by an additional 2-4 degrees by 2050 and up to 10 degrees by 2100 depending on how much greenhouse gas emissions are allowed to accumulate in our atmosphere. As the title of the Maine Climate Council's report suggests – Maine simply can't afford to wait to act on climate change.

Maine has also committed to increasing the state's Renewable Portfolio Standard (RPS) to 80% by 2030 and 100% by 2050. In making this transition to a clean energy economy it is critical that the state act quickly but responsibly, especially as it relates to our electricity grid. That is why Representative Grohoski's bill is so important.

It creates an entity, the Maine Generation Authority (MGA), to finance and own electricity generation projects at a dramatically lower cost to Maine than is possible under our current system. Dr. Richard Silkman has estimated that Maine's clean energy transition is likely to require \$60 billion in new energy generation (solar, on- and off-shore wind, etc.), storage, and electrical grid investments over the next 30 years.¹

¹ Silkman, Richard, "A New Energy Policy Direction for Maine: A Pathway to a Zero-Carbon Economy by 2050," November 2019. Available at:

As things currently stand, Maine's electric utilities and private generation companies are allowed to charge high rates of return for the cost of capital, dramatically increasing the cost of building renewable energy resources and the infrastructure to support our energy transition.

The Maine Generation Authority, as a government entity, would be able to issue revenue bonds at much lower rates, likely as low as three percent. Given the amount of investment in new renewable energy generation, storage, and energy infrastructure required to meet Maine's RPS and emissions requirements, we must think creatively about how to effectively and efficiently achieve these goals at the lowest cost to Maine.

For these reasons, NRCM strongly supports LD 1634 and encourages you to approve this bill.

I appreciate this opportunity to testify and would be glad to answer any questions you may have.