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TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

**An Act To Create the Maine Generation Authority
L.D. 1634**

**GOVERNOR'S ENERGY OFFICE
May 4, 2021**

Senator Lawrence, Representative Berry, and Members of the Joint Standing Committee on Energy, Utilities and Technology (EUT): My name is Melissa Winne and I am the Energy Policy Analyst for the Governor's Energy Office (GEO).

The GEO testifies neither for nor against L.D. 1634.

The proposed legislation would establish the Maine Generation Authority (Authority) as a state authority authorized to issue revenue bonds that are backed by Maine electric ratepayers. The purpose of the Authority would be to finance and own 2,000 Gigawatt hours of renewable electricity generation and 100 MW of energy storage capacity by 2033 in Maine or federal waters of the Gulf of Maine that enable the State to meet its electricity demand. The bill authorizes the Authority to undertake the activities outlined in the bill language in fulfillment of its purpose. Additionally, the legislation outlines prohibited activities in an effort to prevent exposure of ratepayers to additional financial risks. The Authority would be modeled on the governance structure, administration, powers, obligations, property rights and bond issuance authority of the Maine Turnpike Authority.

The bill requires the Authority to develop capital plans and budgets to meet specific renewable generation and energy storage targets each year from 2024 to 2033 and allows the Authority to collect revenues from a Maine Generation Authority surcharge imposed on all electric ratepayers in Maine. It directs the Authority to contract with the Efficiency Maine Trust (EMT) to enable all such sales and to settle financially all outputs and environmental attributes sold to the accounts of the Authority. It allows the Authority to borrow \$1,000,000 from the EMT as a 3-year maturity loan at 3% to fund start-up costs of the Authority.

The Governor's Energy Office (GEO) is committed to achieving the State's clean energy and greenhouse gas emissions reductions requirements. This includes accomplishing Maine's Renewable Portfolio Standard (RPS) of 80% by 2030 and the goal of 100% by 2050 as well as the State's greenhouse gas emissions reduction requirement of 45% below 1990 levels by 2030 and 80% below 1990 levels by 2050. Meeting these requirements, as was recognized in the State of Maine Renewable Energy Goals Market Assessment and the Maine Climate Council's Climate Action Plan, will necessitate development of additional renewable energy generation in the State and across the regional electricity grid.

In relation to meeting these goals, the GEO has concerns around the wide, sweeping nature of this legislation and potential unintended consequences of this vast change in ownership structure of the State's electricity generation. The GEO would want to ensure that there is a clear understanding of how the details of this proposed Authority would be implemented and staffed, impacts to the energy markets and clean energy industry, tax implications for municipalities and the state and associated ratepayer costs or risk impacts of this legislation. The GEO advises that the Committee carefully and prudently review this proposal and ensures that members have a clear understanding of the impacts before making a decision on this legislation.

Thank you for your consideration and I welcome any questions.

A handwritten signature in cursive script that reads "Melissa Winne".

Melissa Winne, Energy Policy Analyst
Governor's Energy Office