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Janet T. Mills
GOVERNOR

Barry J. Hobbins
PUBLIC ADVOCATE

May 11, 2021

Chairman Lawrence, Chairman Berry and Members of the Energy, Utilities and Technology Committee,

My name is Barry Hobbins and I am the Public Advocate with the Office of the Public Advocate and I am here today to testify in strong support of LD 336 “An Act To Encourage Research To Support the Maine Offshore Wind Industry.”

The Office of the Public Advocate has long supported Maine’s effort to make Maine an international hub for the building of the University of Maine’s patented technology. This effort has been endorsed by multiple governors, numerous legislatures, scores of institutions and businesses and thousands of Maine consumers. Floating offshore wind is in the public interest, as it will obtain local high load factor renewables at reasonable cost and, according to the National Renewable Energy Laboratory, will continue to have decreasing costs.

Maine’s commitment to offshore wind development had its genesis about fourteen years ago, when the Legislature enacted An Act to Implement Recommendations of the Governor’s Task Force on Wind Power Development, which established the first state goal for offshore wind.¹ This was followed by the Ocean Energy Task Force (“OETF”) established by Governor Baldacci by Executive Order dated November 7, 2008, and charged with recommending a strategy for moving forward as expeditiously as practicable with the development of the vast, indigenous, renewable ocean energy resources of the Gulf of Maine. I know these

¹ P.L. 2007 ch. 661 §A-6

facts because I served on the Ocean Energy Task Force, which in its December 2009 Report called for legislation requiring a Commission RFP for long-term contracts for OSW and tidal power, even at above market prices if the rate impact were reasonable. The willingness to accept higher costs was built upon the recognition of significant future economic, workforce, education, and environmental benefits. The OETF affirmed the vision of ocean energy technology development by Maine for Maine:

“Despite the hurdles that development of Maine’s ocean energy resources will encounter along the way to commercialization, the potential benefits dictate our taking concerted action today to ensure that Maine is positioned to capture the tremendous promise these resources can provide us. Therefore, the Task Force recommends that Maine make a major commitment to preparing the way for the development of its offshore wind, tidal, and wave power...

...This transition also includes and necessitates creation of significant opportunities for growth and expansion of Maine’s emerging ocean energy business cluster in areas related to manufacturing, research and development, design, financing, deployment, operations and maintenance of ocean energy and other renewable energy systems, energy distribution, and related businesses.”²

The OETF Report also called for siting of “commercial-scale offshore wind energy development in Maine’s coastal waters or adjoining federal waters by 2015.” The Report was prescient in recognizing both challenges and opportunities. The Legislature further set the stage for the MAV project in 2009 when it enacted an \$11 MM offshore wind research bond that was subsequently approved by voters.

I was the sponsor of the Ocean Energy Act³ and I also chaired this committee in the 124th Legislature, which enacted the OEA on a unanimous vote in both the House and Senate. When the Legislature enacted the OEA in 2010, it adopted virtually all the Task Force’s findings and recommendations. The preamble, finding

² *OETF Report*, at 5.

³ P.L. 2010 Ch. 615.

sections, policies and activities prescribed by the Legislature in the OEA all point to the overarching issue of overreliance on oil to heat our homes and fuel our vehicles and fossil fuels to run our electric power plants. The OEA also includes the Task Force’s additional finding that “climate change, caused primarily by the burning of fossil fuels, may in fact pose an even greater threat to the environment, economy, social fabric and human health.”⁴

The Legislature directed the Commission to issue a Request for Proposals for renewable ocean energy development projects – and to order our transmission and distribution utilities to enter into long term contracts with renewable ocean energy projects for capacity, energy, and renewable energy credits.

As I said in the Senate debate at the time, we amended the OEA to “address all the concerns with the different stakeholder groups.”⁵ This included the concerns of the Maine Lobstermen’s Association and others. I would note that all of the OETF work and Committee work on these bills involved the opportunity for comment by all parties, including Maine’s lobstermen.

With both Republicans and Democrats, in 2013 I cosponsored the Omnibus Energy Act and negotiated a related bill⁶ to keep alive Maine’s promise of offshore wind in Maine, which specifically directed the Commission to conduct a second offshore energy solicitation. The Commission, after reviewing the proposal submitted by Maine Aqua Ventus, approved a term sheet for the demonstration project in 2014. More importantly, and relevant to LD 336, the Commission also found that a larger, follow-on project promised even more benefits to the State of Maine, including

⁴ *OETF Report*, at ___?

⁵ Legislative Record – Senate, Monday April 5, 2010, page 5-1745

⁶ *An Act to Provide for Economic Development with Offshore Wind Power* (P.L. 2013 ch. 378)

increased regional economic competitiveness, reduced rates for power for Maine consumers and creation of a nationally and internationally recognized knowledge base:

We also find that MAV has the potential through economies of scale to construct a larger offshore wind project of greater than 100 MW at significantly lower cost per megawatt-hour relative to the pilot project that may provide consumers in Maine with project-generated power at reduced rates.

Finally, there is an unquantifiable, but nevertheless important, economic value associated with establishing Maine on the forefront of offshore wind development. This Project is the kind of investment contemplated by the Ocean Energy Act as the foundation for building a strong offshore wind industry in Maine.⁷

Following final Commission approval of the MAV contract in November 2019, MAV sought development partners to carry out the terms of the contract. The agreement with New England Aqua Ventus (“NEAV”) was publicly announced on August 6, 2020, and required NEAV to undertake specific actions:

- Develop the 12 MW demonstration floating wind project at the Monhegan test site.
- In compliance with the PPA obligations requiring use of UMaine’s patented technology and extensive use of Maine contractors, consultants, and workers, making commercially reasonable efforts to achieve specified dollar value and employee goals. This includes significant research and operations contracts with the University of Maine.
- Satisfy the PPA obligation to file with the Commission, by the end of December 2021, a plan to develop a second project of at least 100 MW in capacity, using UMaine’s patented technology in the Gulf of Maine, again using commercially reasonable efforts to rely extensively on Maine contractors, consultants and workers.

⁷ *Order Approving Term Sheet (Part One and Part Two)*, Commission Docket No. 2010-00235 (February 13 and 19, 2014)

On November 20, 2020, Governor Mills announced that Maine would seek to create the nation's first floating offshore wind research array ("Array"), within the Gulf of Maine, to advance new technology in collaboration with Maine's fishing industry, bringing the MAV follow-on project into reality. In furtherance of that goal, LD 336 will create a path, with legislative direction, that ensures that Maine is able to exert its best efforts to develop an offshore wind industry that utilizes Maine-created technology, employs Maine workers and businesses, and does so while conducting research on how to do so while taking into account Maine's fishing and lobstering industries and the resources those industries depend upon.

Let me be clear. The Office of the Public Advocate sees the national and regional commitment to develop large amounts of offshore wind in federal waters by 2030. The only question is whether Maine leverages this commitment to its advantage while retaining as much control as possible to benefit our entire economy, or whether Maine is a passive bystander as the Gulf of Maine is developed for the benefit of other states which are not concerned about Maine's lobstermen.

Maine has come a long way in the steadfast pursuit of our opportunities in ocean energy. For diverse reasons – including but not limited to the price and volatility of fossil fuels, and environmental and economic considerations – for over a decade Maine policy has unwaveringly supported offshore wind development within the statutory bounds created by the Legislature. We should not falter at this crucial moment.

Thank you for your time, attention and consideration of this testimony. The Office of the Public Advocate looks forward to working with the Committee on LD 336, and will be present at the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

A handwritten signature in black ink, reading "Barry J. Hobbins". The signature is written in a cursive style with a large initial 'B' and 'H'.

Barry J. Hobbins
Public Advocate