



Testimony before the

Joint Standing Committee on Energy, Utilities and Technology

By Rob Wood, Director of Government Relations and Climate Policy

May 12, 2021

Re: LD 1659 – An Act To Create the Maine Clean Energy and Sustainability Accelerator

Senator Lawrence, Representative Berry, and members of the Joint Standing Committee on Energy, Utilities and Technology, my name is Rob Wood and I am the Director of Government Relations and Climate Policy for The Nature Conservancy in Maine. I appreciate this opportunity to testify **in support of LD 1659**, An Act To Create the Maine Clean Energy and Sustainability Accelerator, **with one suggested change**.

The Nature Conservancy is a nonprofit conservation organization dedicated to conserving the lands and waters on which all life depends. We have been working in Maine for more than 60 years with a focus on protecting land, restoring rivers and streams, rebuilding groundfish populations in the Gulf of Maine and developing innovative solutions to address climate change.

First, we would like to thank Rep. Zeigler for introducing this bill. TNC has been working on clean energy finance for several years, and Rep. Zeigler has been a tireless champion of this important cause.

We are generally supportive of LD 1659 because, despite not providing funds to seed the Clean Energy Accelerator, the bill does provide a framework that sets the stage for progress toward the State's clean energy and emissions reduction goals in two important ways. First, LD 1659 recognizes that transitioning to a low-carbon economy will require substantial investment capital from the private sector to supplement public sector investments. The Clean Energy Accelerator allows for Efficiency Maine to create credit enhancement mechanisms and other tools designed to de-risk private investment.

LD 1659 also recognizes that many Mainers, Maine businesses and Maine towns would benefit from new clean energy and energy efficiency financing options.¹ Financing can help break down barriers for customers that might not otherwise be reached, and for some, financing may be the only viable route to affordability. That's why we applaud that the bill requires 40 percent of the Accelerator's investment

¹ See "Advancing Clean Energy Investment in Northern New England," Vermont Energy Investment Corporation report prepared for The Nature Conservancy and Coastal Enterprises, Inc. (January 2019), <https://www.ceimaine.org/wp-content/uploads/2019/02/VEIC-Clean-Energy-Investment-Report-January-2019-for-Distribution.pdf>.

activity be directed to vulnerable communities, defined as low-income communities, low-income households, and communities of color and tribal communities, and we recommend clarifying that this means “at least” 40 percent of investment activity.

We offer to the Committee one important recommended change to the section of the bill addressing qualified renewable energy generation projects. TNC believes that hydropower projects should only qualify for Accelerator financing if the financing is used to upgrade an existing dam, and only if the dam provides 95 or greater percent efficiency for upstream and downstream passage for diadromous fish species present below the dam, as determined by the Department of Marine Resources. Including these habitat protections is important to ensuring good environmental outcomes from the investments made by the Accelerator. We also suggest that the term “renewable energy generation” be extended to read “renewable energy generation that minimizes environmental impacts” to capture environmental attributes more broadly.

We would also like to note that in implementing the Accelerator, we encourage Efficiency Maine to consult with other state agencies if it develops “climate resilient infrastructure” and “reforestation, afforestation, forestry management and regenerative agriculture” financing mechanisms. Efficiency Maine excels at carrying out its statutory purpose and duties in support of energy efficiency, but other agencies have historically taken the lead on climate resilience efforts in the state—for example, MaineDOT, the Maine Emergency Management Agency (MEMA), the Maine Coastal Program, Maine DEP, and the Governor’s Office of Policy Innovation and the Future. Similarly, we encourage consultation with the Department of Agriculture, Conservation and Forestry (DACF) in the formation of any “reforestation, afforestation, forestry management and regenerative agriculture” financing programs.

Thank you for the opportunity to testify today, and thank you again to Rep. Zeigler for his leadership on this bill. I am happy to answer any questions you may have.