GreenLantern SOLAR

PO Box 658
Waterbury,VT 05676
(802)244-1658
GreenLanternSolar.com

March 16, 2022

Submitted on-line
Energy, Utilities and Technology Committee
Maine Legislature

Re: Testimony Regarding LD 1026, An Act To Update the Regulation of Public Utility Monopolies (as amended 3/15)

Dear Committee Members:

On behalf of Green Lantern Development, LLC ("GLD"), thank you for the opportunity to present these comments on proposed bill LD 1026. GLD Vice President of Development Geoff Sparrow will be presenting live testimony at today's public hearing.

Our position is, fundamentally, that this bill is a solution in search of a problem.

Over the past 10 years, GLD has developed more than 100 solar projects in New England, primarily net metering community solar projects in Vermont. We are a small homegrown company with offices in Vermont and Maine. We were very pleased to see that after years of lagging behind other states, Maine's renewable energy industry was boosted by Governor Mills in 2019, and since then, Maine's solar generating capacity surged. However due to the challenge of interconnection requests that overwhelmed utilities and the twin boogeymen of "cost shifting" and "ratepayer impacts", the Legislature reined in the program just as it was getting its footing by enacting several retroactive changes. The renewable energy development and investment community was, understandably, alarmed by this reactionary response but thanks to efforts by numerous stakeholders, the program remained viable, with some projects safe harbored. We breathed a sigh of relief, redirected our focus, and continued investing in Maine's future under these new constraints.

Suddenly, and virtually without warning, we were confronted with a second <u>retroactive</u> attack on the NEB program, ostensibly in response to recent increased rates in the Tariff program. Maine is, unfortunately, proving to be far more unstable than anyone anticipated. This second significant change in two years makes developers and investors less likely to direct resources into a market that where the Governor and the Legislature feel that they can freelance with investment-destroying retroactive policy changes. Policymakers cannot lose sight of the fact that Maine like many other states cannot meet their decarbonization and electrification goals without the influx of private capital, which requires stability. Notably, private investors do not enjoy a guaranteed rate of return as utilities do, and bear the risk throughout the life of the project. And perhaps, most alarmingly, nobody who favors this legislation appears to be able to actually quantify any benefit to ratepayers – merely vague suggestions that there may be some benefit.

In fact, the NEB program as it stands is doing exactly what it is supposed to be doing. The recent increased rates are a direct result of increased demand on natural gas. But keep in mind that deployment of renewable distributed generation will ultimately <u>reduce</u> the strain on natural gas supplies and as a result will reduce electricity supply costs. The reasoning underlying this bill gives no credit to the fact that the supply portion of the Tariff Rate directly offsets the cost of supplying kWh from another source of power. This is a shocking flaw in the reasoning underlying the proposal. Furthermore, the attrition rate for projects is well documented as being upwards of 50%, which is just what the industry testified it would be.

When did Maine abandon the idea that "You can't fix it if it ain't broke"?

Finally, the material and equipment shortages that started to impact the industry in 2020 due to tariffs and covid shutdowns continued unabated in 2021 and are projected to get worse in 2022. Order times for critical components have increased by multiple factors, and delivery times are extremely unreliable, wreaking havoc on project construction schedules. This has required multiple extensions of site control and other agreements, and has hamstrung contractors as well. The labor shortage we experienced in 2021 has added a new layer of delay and complexity. The current instability in Ukraine adds another layer of chaos and complexity to world energy markets and supply chains. Inflation is 7% and EPC costs have roughly doubled or tripled since 2020.

In the face of all of these external factors, Maine should not be adding insult to injury for a questionable benefit to ratepayers. In fact, the Vermont Public Utility Commission, quite opposite to what is being proposed in Maine, recently <u>extended</u> all 2022 commissioning dates for a year to allow developers to put projects in the ground.

We oppose this bill. With that said, should the Committee decide to approve this bill, we would recommend that the "start of construction" date be moved to December 31, 2022 due to the supply chain and construction issues facing the industry, which are well documented.

Sincerely,

GREEN LANTERN DEVELOPMENT, LLC

David G. Carpenter, Esq.
General Counsel

David Carpenter
Green Lantern Development, LLC
LD 1026

Please see attached letter. Thank you for the opportunity to comment.