



## **Maine Committee on Labor and Housing February 28, 2022**

Testimony of Andrew Gohn on Behalf of the American Clean Power Association

### **LD 1969 – OPPOSE**

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Chair Daughtry, Chair Sylvester, and members of the Committee, thank you for the opportunity to offer testimony in opposition to LD 1969.

I am Andrew Gohn, Eastern Region Director of State Affairs for the American Clean Power Association (ACP). American Clean Power is the voice of companies from across the clean power sector that are powering America's future and providing cost-effective solutions to the climate crisis while creating jobs, spurring massive investment in the U.S. economy, and driving high-tech innovation across the nation. ACP works to champion policies that will transform the U.S. power grid to a low-cost, reliable, and renewable power system.

#### Targeting Renewable Energy

As a preliminary matter, ACP is concerned any time we see legislation proposed that singles out wind, solar and storage technologies for regulatory scrutiny not applied to similarly positioned industries. In recent years, we have seen any number of legislative proposals to add special requirements to new renewable projects without applying the same standards to competing technologies. There is nothing unique about the solar and wind generation technologies that is relevant to these provisions. This repeated discriminatory treatment towards renewable energy is creating an environment where renewable projects alone are sometimes viewed as the sole vehicle for resolving important social issues, all while still competing on price in the market.

In the present case, the values of equity in the workforce, fair pay, access to collective bargaining and more are clearly important to members of this Committee. But there are several industries similarly situated that this Committee does not charge with lifting up these priorities. Several sectors of Maine's economy participate, in one way or another, with state programs and receiving state assistance. They are not under the types of obligations defined in this bill. Nowhere in this bill are they made subject to these requirements.

We urge members of the Committee to seek economy-wide and sector-wide consistency in applying these policy goals.

#### Regulatory Uncertainty

While our members agree with several of the Sponsor's amendment priorities, we object strongly to the amendment's scope and timing. Beginning with §3701.3, the bill would impose significant new regulatory compliance requirements on firms building renewable energy projects in Maine as soon as January 1, 2024. Such an early onset date will absolutely capture many projects who



relied on current law in good faith and entered into binding contractual agreements at price points that they will not be able to meet under the requirements of this amendment.

The January 1, 2024 date doesn't allow any project in development or developing a bid for a pending procurement to incorporate potential added costs into the project financials. To be clear, our members are developing bids *right now* for projects that would be governed under these new provisions. They will be submitted before this bill becomes law, perhaps *before we know if this bill is even passed*. How can we expect this program to successfully procure the best outcome for Maine if the timeline imposed by this bill throws the process into chaos?

We recommend that, if the legislature seeks to impose these, or any other new conditions on projects that would increase costs, that the policy be carefully tailored to come into effect at a point in the development process when the burden to comply is known and can be planned for in submission of bids.

#### Project Labor

ACP members take pride in the jobs they do and create and are happy to work under any reasonable labor standards. However, some workforce policies impose higher costs and policymakers should think about how to address those added costs or the result will be fewer projects and slowing progress in meeting climate and energy goals. The same goes for burdensome reporting requirements and additional processes imposed on project arrangements. The clean energy industry wants to be a good partner in meeting these state workforce and equity goals, but policymakers will ultimately have to determine the balance between onerous administrative and reporting requirements and keeping the cost of renewable energy low.

For these reasons, we urge members of this committee to ensure this law does not go forward with the obligation commencement dates enumerated in the present Amendment.