

The voice of Maine business

May 9th, 2023

Senator Michael Tipping, Senate Chair Representative Amy Roeder, House Chair Joint Standing Committee on Labor and Housing 100 State House Station Augusta, Maine 04333

RE: MSCC testimony in opposition to L.D. 1818, An Act Regarding Port Facilities Relating to Offshore Wind Power Projects

Senator Tipping, Representative Roeder, and members of the committee on Labor and Housing:

My name is Ben Lucas, I live in Portland, and I represent the Maine State Chamber of Commerce. The Chamber is the voice of Maine business, speaking for approximately 5,000 Maine businesses of all sizes throughout the State. The Maine State Chamber of Commerce is submitting testimony in opposition to L.D. 1818.

Over the last year, the Chamber has been pleased to serve on Maine DOT's Offshore Wind Ports Advisory Committee. The Chamber supports efforts to develop an offshore wind port in Maine, and furthermore, we support the goals of the state to advance policy conversations to develop offshore wind in Maine. We have an enormous opportunity to take advantage of an abundance of our natural resources and turn it into an economic engine in Maine by generating Maine made clean energy. Unfortunately, what is proposed in L.D. 1818 does not help advance these goals.

L.D. 1818 requires any offshore wind port leased or owned by the state to have a project labor agreement to construct the port and for continued operation a peace agreement. Additionally, all other operations created to support those facilities must have a union agreement. We have significant concerns over this. Right now, we have Maine based open shop contractors who are engaged in offshore wind work across the entire country. If Maine is shifting to develop offshore wind, we believe it would be in the best interest of the state to make sure that work is going to Maine based companies and Maine based jobs. We have seen onshore wind developed in Maine, and we would like to note that 100% of onshore wind has been done by Maine based companies. We feel it would make sense that if we are shifting to offshore wind, those same companies who have proven they can do this work should continue to do so.

Furthermore, we have significant concerns that creating a port that has these demands attached to it will drive up the price of these projects which will eventually be passed onto the ratepayers. The first offshore wind projects will likely be expensive given it will be a significant transition. While there are long term benefits from offshore wind, the cost in the short term for construction, building, transmission, grid updates, etc will be high. We fear that if the costs associated with building these projects are too high, we will price ourselves out of the marketplace and miss out on the potential opportunities offshore wind creates. For a regional perspective, Massachusetts is looking at about 7 cent a kilowatt-hour for their offshore wind projects. So, if we want to be competitive with the region, we need to be smart about how we are enacting offshore wind policy otherwise investors might look elsewhere, and we will miss out on significant economic development and job creation.

For these reasons, we would strongly encourage the committee to vote, "ought not to pass" on L.D. 1818. Thank you for the chance to testify today, I am happy to answer any questions or bring back additional information for the work session.

Sincerely, Benjamin R. Lucas Senior Government Relations Specialist Maine State Chamber of Commerce Email: <u>blucas@mainechamber.org</u>