MAINE STATE LEGISLATURE

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Legislative Record

House of Representatives

One Hundred and Thirty-First Legislature

State of Maine

Daily Edition

First Special Session

Beginning April 5, 2023

Beginning with Page H-277

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH** with the exception of matters being held.

ENACTOR
Act

An Act to Restore Access to Federal Laws Beneficial to the Wabanaki Nations

(H.P. 1284) (L.D. 2004)
(C. "A" H-658)

Was reported by the Committee on **Engrossed Bills** as truly and strictly engrossed, **PASSED TO BE ENACTED**, signed by the Speaker and sent to the Senate.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH** with the exception of matters being held.

REPORTS OF COMMITTEE
Divided Reports

Ten Members of the Committee on **ENERGY, UTILITIES AND TECHNOLOGY** report in Report "A" **Ought to Pass as Amended by Committee Amendment "A" (H-639)** on Bill "An Act to Amend the Portfolio Requirements for Class II Resources"

(H.P. 250) (L.D. 399)

Signed:
Senators:
LAWRENCE of York
HARRINGTON of York
Representatives:
ZEIGLER of Montville
BABIN of Fort Fairfield
BOYLE of Gorham
DUNPHY of Embden
FOSTER of Dexter
GEIGER of Rockland
PAUL of Winterport
RUNTE of York

Two Members of the same Committee report in Report "B" **Ought Not to Pass** on same Bill.

Signed:
Senator:
GROHOSKI of Hancock
Representative:
KESSLER of South Portland

One Member of the same Committee reports in Report "C" **Ought to Pass as Amended by Committee Amendment "B" (H-640)** on same Bill.

Signed:
Representative:
WARREN of Scarborough

READ.

Representative BOYLE of Gorham moved that the House **ACCEPT** Report "A" **Ought to Pass as Amended**.

Representative KESSLER of South Portland **REQUESTED** a roll call on the motion to **ACCEPT** Report "A" **Ought to Pass as Amended**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: The Chair recognizes the Representative from South Portland, Representative Kessler.

Representative **KESSLER**: Thank you very much, Madam Speaker. I am standing in opposition to this motion and I can break it down into the two different aspects of the bill as to why.

The first aspect is around the 300% increase in how much we pay waste-to-energy electricity providers. We had given these generators this benefit in the 129th Legislature with the understanding that this would sunset in January of 2025, understanding that recycling markets were a little bit tenuous and they needed some help. Right now, those markets are doing okay. At the same time,Class II renewable energy credits back in the 129th were valued in the 50-cent to two-dollar range. Now, due to increased demand for those as well as the weather and other factors, those have been priced as high as $14. So, as a result, we're going to be paying a lot more for the same thing. And I know that we are talking about renewable energy this year and the fairness around other people paying for things that a limited number of people benefit from. As a person coming from an EcoMaine community, I do not feel that it's fair for communities that do not have that same service to have to subsidize my community's waste management. They will be paying for that. And the amount that they would be able to get in just the regular Class II REC market is way more than they ever anticipated, so it is not needed.

The second piece of this is setting a cap on Class II renewable energy credits, which is absolutely needed. There has been no cap in the past. But we're setting it at a very high level and I believe an unnecessarily high level, especially when we have a limited pool of generators who are not providing any additional benefit. We are going to be paying exponentially more for the same thing and I don't believe that that is good energy policy and the fact that 80% of what we pay is going to a very small number of hydroelectric generators, mainly Brookfield, who is an $800 billion equity firm. So, all of that being said, I hope you will follow my light if you agree with my stance on the policy. Thank you very much.

The SPEAKER: The Chair recognizes the Representative from Hallowell, Representative Warren.

Representative **WARREN**: Thank you very much, Madam Speaker. I want to rise to agree with the Representative from South Portland and I just want to provide a little bit of further context as to what brings this idea that the cap being set at about $10 in advent of the alternative compliance payment for these Class II resources because, historically, we have not had a cap for Class II resources. Well, historically, the price per REC for Class II resources has been low, quite low, anywhere ranging from zero dollars per megawatt to $1 per megawatt in 2013. So, that brings us to a little bit over $500,000 for the year, which is a cost put on ratepayers per year as of the year 2013. These were penny stocks, essentially. As of now, in; it seems like our most recent estimate, 2021, right now it's about; I think it's come down a little bit but earlier this year, it was about $14 per megawatt and in 2021, the average over the year ranged from that zero dollars per megawatt to $10.25 per megawatt over that year. And that's with a weighted average cost of $3.77 per megawatt and a total cost per that year to our ratepayers of over $15 million. So, I just want to just keep that in context and part of the issue and part of why I rise, Madam Speaker, is because this is a question in Class II resources of renewable energy and a just transition and of who pays for this transition. There's a great need to incentivize and to subsidize different forms of energy production but what this is doing with this capping set today is asking our ratepayers to pay the same rate of essentially subsidy that we do to brand-new solar. The Class II

resources can be fossil fuels. That's the reality of this class of resources.

I strongly oppose the motion. I respect where everyone stands on this issue. I also represent an EcoMaine community and so, I'll just say again to that point of equity, I don't believe that ratepayers across our State should be funding communities like mine. I think it is a question of equity and fairness and I don't think it's exclusively an issue devoted to climate change and how we get there, respectfully, I understand where people fall but if you share my perspective, I hope that you'll follow my light. Thank you.

The SPEAKER: The Chair recognizes the Representative from Gorham, Representative Boyle.

Representative **BOYLE**: Thank you, Madam Speaker. Madam Speaker, Women and Men of the House, this is my bill that I brought forward. The original bill, all it did was remove the sunset from a bill that the Legislature passed, as the Representative from South Portland said, several years ago. Burning waste along with recycling to create energy is part of Maine's renewable portfolio standard. It's also part of Maine's solid waste hierarchy. Reduce, reuse, recycle; incineration is part of that. We don't want to have to incinerate, we would like people to throw out less trash, but to the extent that they're going to, everything we incinerate reduces the volume of that trash by 90%. So, that's 90% less going into landfills. That's why it's part of the waste hierarchy.

Once the bill came in and we started working through the Committee process, I started hearing from folks that had concerns as to what you've heard and that's when I learned that prices for REC II credits has been variable over time. That's why; and the Public Advocate came to me and suggested that we include an alternative compliance payment mechanism for REC IIs, which is what we did. And at the time, when we started it, it was a cap of $20, as I recall, with a floor of only $5. We've negotiated some more, we had a; we requested only a five-year extension instead of getting rid of the sunset. We said, how about a five-year extension. We negotiated that, too. We brought it down to a two-year extension, from '25 to '27. Further negotiations; and I worked closely with the good Representative from Dexter, that's the House lead, a lot of back and forth, a lot of discussion with the different folks involved. We ended up dropping the cap down to $10 with no floor and said the price for these alternative compliance payments will be set by the Public Utilities Commission under major substantive rulemaking, it will come back to the Committee and to the Legislature for approval because, as has been described, there's many millions of dollars at stake in this.

So, what I would like to do, and what the Committee has come up with, the 10 people who voted for the bill, is that we will only continue just for two more years, that sends the message to these facilities who are likely listening now that you've got to start sort of weaning off this REC II and ACP system and it won't be any longer be part of your operating budget, if you will. It is a small part of the operating budget for the waste management facilities, mostly these Class II RECs as was described go to other facilities such as hydro. So, having said all that, I would appreciate your support on this bill. Thank you.

The SPEAKER: The Chair recognizes the Representative from Orrington, Representative Campbell.

Representative **CAMPBELL**: Thank you, Madam Speaker, Men and Women of the House. We've talked some about waste energy, we've talked some about RECs. Waste-to-energy plays a big part. It's basically recycling the trash that we generate into burning which creates electricity. So, it does play a big part in our both recycling and our energy production. I don't know if everybody reads the *Bangor Daily News*, but PERC, which is one of the biggest waste-to-energy facilities in the State, is on the auction block. We've been talking about a lot of different things that could go into that system. We talked a lot about PFAS. There's ways to create energy out of that that the Commissioner of DEP is working on. So, these RECs out for two years is really important to the buyer of PERC. So, it's crucial that this pass. Thank you, Madam Speaker.

The SPEAKER: A roll call has been ordered. The pending question before the House is Acceptance of Report "A" Ought to Pass as Amended. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 298

YEA - Adams, Albert, Andrews, Ankeles, Arata, Ardell, Babin, Bagshaw, Bell, Blier, Boyer, Boyle, Bradstreet, Brennan, Bridgeo, Campbell, Carlow, Carmichael, Cloutier, Collamore, Costain, Crafts, Craven, Cray, Cyrway, Davis, Dill, Doudera, Drinkwater, Ducharme, Faulkingham, Fay, Foster, Fredericks, Galletta, Gattine, Geiger, Gere, Gifford, Golek, Graham, Greenwood, Griffin, Guerrette, Haggan, Hall, Hasenfus, Henderson, Hepler, Hymes, Jackson, Kuhn, Lanigan, LaRochelle, Lavigne, Lee, Lemelin, Libby, Lyman, Madigan, Malon, Mason, Mastraccio, Matlack, Meyer, Millett H, Millett R, Montell, Moonen, Moriarty, Morris, Murphy, Ness, Newman, Nutting, O'Connell, Parry, Paul, Perkins, Perry A, Perry J, Poirier, Polewarczyk, Pomerleau, Pringle, Quint, Rielly, Roberts, Roeder, Rudnicki, Runte, Russell, Sachs, Salisbury, Sampson, Sargent, Sayre, Schmersal-Burgess, Shagoury, Shaw, Simmons, Smith, Soboleski, Stover, Strout, Supica, Swallow, Terry, Theriault, Thorne, Underwood, Walker, White B, White J, Williams, Wood, Zager.

NAY - Arford, Cluchey, Collings, Copeland, Dhalac, Dodge, Dunphy, Gramlich, Hobbs, Jauch, Kessler, Lookner, Mathieson, Milliken, O'Neil, Osher, Pluecker, Rana, Reckitt, Riseman, Sheehan, Skold, Warren, Worth, Madam Speaker.

ABSENT - Abdi, Crockett, Eaton, Javner, Landry, Paulhus, Woodsome, Zeigler.

Yes, 117; No, 25; Absent, 8; Vacant, 0; Excused, 1.

117 having voted in the affirmative and 25 voted in the negative, with 8 being absent and 1 excused, and accordingly Report "A" **Ought to Pass as Amended** was **ACCEPTED**.

The Bill was **READ ONCE**. **Committee Amendment "A" (H-639)** was **READ** by the Clerk and **ADOPTED**.

Under suspension of the rules the Bill was given its **SECOND READING WITHOUT REFERENCE** to the Committee on **Bills in the Second Reading**.

Under further suspension of the rules the Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (H-639)** and sent for concurrence.

Six Members of the Committee on **CRIMINAL JUSTICE AND PUBLIC SAFETY** report in Report "A" **Ought to Pass as Amended by Committee Amendment "A" (H-623)** on Bill "An Act Regarding Criminal Background Checks for the Sale, Transfer or Exchange of Firearms"

(H.P. 109) (L.D. 168)

Signed:

Senator:

BEEBE-CENTER of Knox