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**TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE**

**An Act to Reduce the Cost of Electricity by Removing the 100-megawatt Limit on Renewable Resources of Energy**

**L.D. 43**

**&**

**An Act to Create Equal Opportunity Access to Clean Energy by Removing the 100-megawatt Limit on Clean Energy Sources**

**L.D. 622**

**GOVERNOR'S ENERGY OFFICE**

**March 28, 2023**

Senator Lawrence, Representative Zeigler, and Members of the Joint Standing Committee on Energy, Utilities and Technology (EUT): My name is Caroline Colan, and I am the Legislative Liaison for the Governor's Energy Office (GEO).

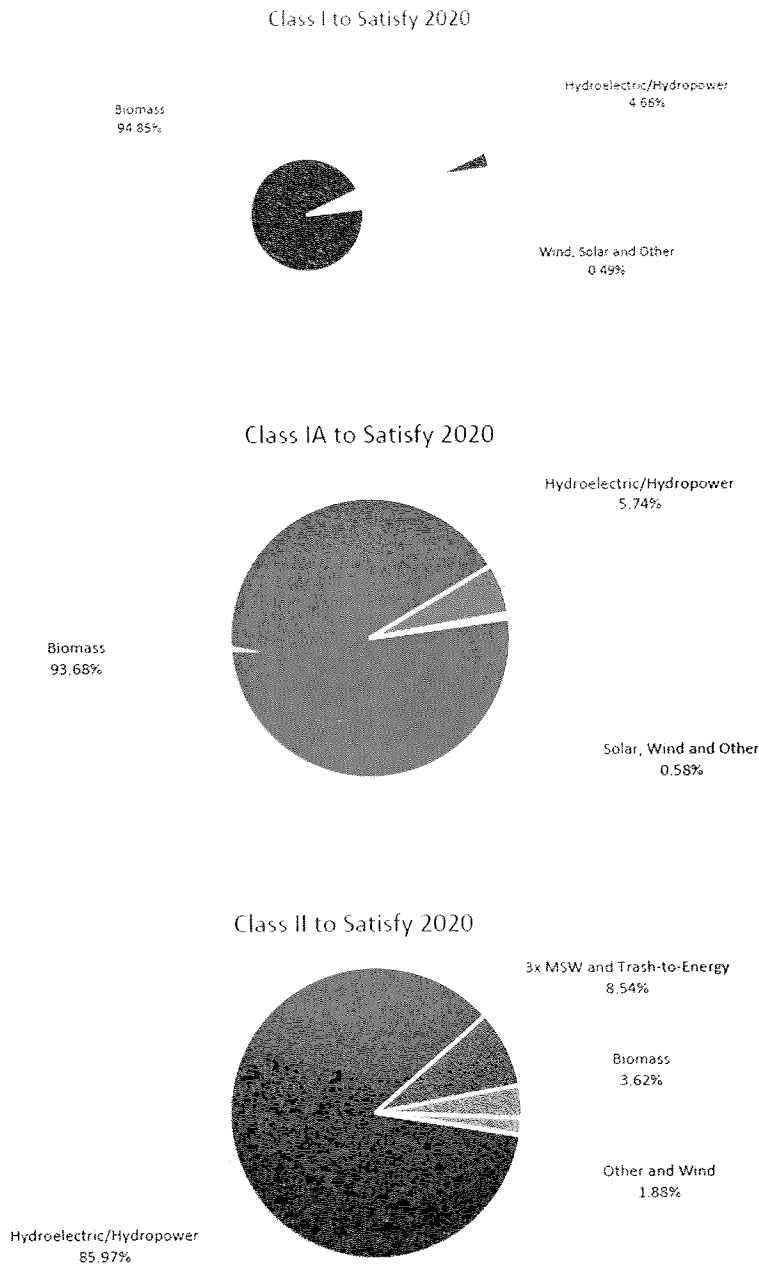
The GEO testifies in opposition to L.D. 43 and L.D. 622.

This testimony is being provided in regard to both L.D. 43 and L.D. 622 which I understand to be substantively the same. Both bills remove the 100-megawatt (MW) maximum capacity limit for a source of electrical generation to qualify as a renewable resource for purposes of meeting the State's renewable resource portfolio requirement.

As you know, a Renewable Portfolio Standard (RPS) is a mechanism that requires a specific percentage of electricity sold to be derived from renewable resources. Currently 29 states and the District of Columbia have adopted an RPS, with Maine being one of the first states to do so. Maine's current RPS requires 80% of retail electricity sales in Maine to come from renewable resources by 2030 and 100% by 2050. Specifically, by 2030, 50% of Maine load must be satisfied by *new* renewable resources (Class I and IA) and 30% by *existing* renewable electricity generation (Class II). Current law includes a capacity cap on most Class I/IA resources, including hydroelectric resources, of 100 MW. All eligible Class II resources are also capped at no greater than 100 MW.

Similar proposals to eliminate the 100-megawatt cap have been considered by this Committee in the 127<sup>th</sup>, 128<sup>th</sup>, and 129<sup>th</sup> legislatures. Generally, arguments have been focused toward removing the cap specifically for hydroelectric generators. With only one hydroelectric facility greater than 100 MW located in Maine, the intention of this legislation is understood to enable the entry of *existing* large generators located outside the state to Maine's RPS. Were large hydroelectric resources allowed to enter the market as qualifying Class I and Class II resources, renewable energy certificate (REC) values would likely decline significantly and therefore substantially reduce the value that qualifying projects rely on to operate. In Maine that would likely mean having a significant negative impact on the state's existing biomass facilities.

The following figures drawn from the Commission’s report illustrate the mix of generator types that contributed to Maine’s RPS compliance in 2020.



For broader policy context, many state RPS programs limit hydro eligibility to small facilities, though the definition of small varies by jurisdiction. According to data compiled by the Clean Energy States Alliance, 17 states limit eligibility to projects 30 megawatts or less in at least one of their RPS classes.<sup>1</sup> Six states limit capacity of resources to 10 megawatts or less in at least one class.

An RPS policy that encourages in-state generation of diverse renewable resources offers many benefits to the state. The growth of the clean energy sector through policies like the RPS presents economic

<sup>1</sup> <https://www.cesa.org/resource-library/resource/role-of-hydropower-in-state-clean-energy-policy/#:~:text=Hydropower%2C%20as%20an%20abundant%2C%20clean,intermittent%20renewables%20into%20the%20grid>

development opportunities throughout the associated supply chains, and the potential of innovative solutions to create additional products and services for the state, regional, and even global markets. The development of clean energy projects can provide various community benefits, from financial benefits in the form of property or income taxes, community benefits agreements, and workforce opportunities in good paying jobs across a range of positions with varying education and experience requirements.

Though not supportive as currently written, the GEO is open to considering appropriate ways to enable participation of large-scale hydroelectric resources, particularly as we move closer to Maine's 100 percent clean energy goals.

Thank you for your consideration and I welcome any questions.

A handwritten signature in black ink that reads "Caroline Colan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Caroline Colan, Legislative Liaison  
Governor's Energy Office