

## MEETING SUMMARY

JULY 30, 2009  
OCEAN ENERGY TASK FORCE  
APPROPRIATIONS COMMITTEE ROOM  
ROOM 228, STATE HOUSE  
AUGUSTA, ME

### I. Introductory Matters

Task force in is the final third of its initial duration. The members need to make sure that the correct questions are on the table and that the group is moving in the right direction to answer them.

Don Perkins gave updates as to the passage of the legislation (L.D. 1465, P.L. 270), and the Department of Conservation and the Maine State Planning Office's siting process related to the legislation. The University has made progress in Washington with secretary Chu regarding the evolution of a national energy lab in Maine.

### II. Maine Energy Bill Overview

Representative Fitts was asked about the current state energy bill. The Bill that was passed had several issues, the first of them being transmission. The bill had a number of delays built into it in order to determine how we value interstate transmission. There is now a commission to study interstate infrastructure to attempt to resolve the value issue and if not resolving, devising a process to determine value.

### III. Subcommittee Reports

Each Subcommittee chair was asked to summarize activity to this point and to give three possible recommendations as to the actions the Task Force should take regarding their respective topics.

- **Subcommittee One (Human Uses and Environmental Impacts)** –Sean Mahoney

The subcommittee has not met since the last Task Force meeting. Most of the work done to date has been in connection with the legislation outreach efforts. There was a meeting with a variety of experts on bird and bat issues (USFW, UMaine, MDIFW, and various other NGO's). The idea was to focus on the long term task of the Task Force which is to set up the structure and protocol for grid scale developments. The group will meet again to draft a strawman proposal as to what the correct protocols might be going forward

**Issues For Discussion:**

- The task assigned to this subcommittee is extremely complicated. There will be a variety of issues that the subcommittee must strike the right balance on. The structure and protocol must be created for using existing information, for gathering this information, and for using the information.
- Another challenge is: once a protocol or structure is created, and the information is collected, how the information is used going forward and how is it adjusted to the dynamic nature of the issue.
- Finally, how do managers streamline, state, local, and federal discussion regarding the resource and its conflicts with energy development.

- **Subcommittee 2 (Regulatory and Permitting Issues)** – Kathleen Leyden

This subcommittee has not met since the last Task Force meeting. The State Planning Office has entered into a contract with Jeff Pidot (former head of the environmental unit at the State Attorney General’s office) to conduct an independent review of the state’s leasing process. The next subcommittee meeting is August 11<sup>th</sup> from 2-4 at DOT where the draft will be presented. The report covers background on the Public Trust Doctrine, includes a section on leasing issues (criteria, fees, duration, removal, financial security), state regulatory issues (expedited regime, scenic and visual criteria) existing regulations that cover large developments, the role of LURC, the role of GIS, and the role of CZM. Lastly, the role of municipalities in this endeavor.

**Issues For Discussion:**

- The next big piece from this subcommittee will be to work on regulatory schemes for commercial development. This should be the point where subcommittees one and two should intersect.

- **Subcommittee Three (Tidal Energy)** – Parker Hadlock

The Subcommittee has identified six different topical areas:

- Efficient Permitting Process;
- Transmission;
- Continuation of the process after the end of the Task Force;
- Mixed use Collaboration;
- Ocean energy Research and Development;
- Local benefit

Small generation grid tie-ins will be a large part of future discussion.

Dana Murch of the Department of Environmental Protection provided comments on the State’s Memorandum of Understanding with the Federal Energy Regulatory Commission (FERC) and the strides that the State and FERC have made pertaining to a streamlined process for Tidal Energy.

- **Subcommittee Five (Economic Development)** – Tim Agnew

The last meeting of this subcommittee was in May. Since then members have attended an E2 Tech conference and are attempting to assemble a cluster of businesses interested in ocean energy.

**Issues For Discussion:**

- How to accurately measure economic data pertaining to ocean energy.
- What would we be measuring (units)?
- What should be shown in an economic impact report?

- **Subcommittee Six (Oil and Gas)** – Bob Marvinney

This subcommittee has not met recently, nor will it have any issues or recommendations that require Task Force action.

- **Subcommittee Four (Grid/Transmission)** – David Flannagan

Beth Nagusky has set up a meeting with ISO New England to determine what is going on within the regional grid and how alternative energy may be taken into account.

**Issues For Discussion:**

- Maine needs to make a determination of what's needed for incremental transmission additions to handle wind or tidal power (100MW, 200MW, etc).
- The cost of hooking a development up to the nearest substation (substantial). Right now the developer has to bear the cost and we need to look at California sharing methods.
- ISO does have a New England wide system for ranking or prioritizing projects. If there is a limit in ISO NE on wind projects, can we bring in Rhode Island and Massachusetts projects? How do you rationalize and prioritize other projects.
- Would the ISO be able to come to grips with not just regional, but national competition (which may or may not have federal assistance)?
- What kind of SMART grid investment would facilitate wind here. What location, who should pay?

- **Comments on Subcommittee Reports:** There seem to be commonalities, especially with regulatory issues between all Subcommittees. Should Subcommittee Seven be utilized to have the discussion in one room rather than have each Subcommittee work on this by itself? Governor King should organize the Subcommittee chairs during the last six weeks of the Task Force.

#### **IV. Test Site Selection**

Robert Marvinney of the Maine Geological Survey and Kathleen Leyden of the State Planning Office gave an overview of the demonstration Area Outreach process to date. To this point, there has been a very preliminary, geophysical selection process undertaken including identification of good wind resources, state waters, and deep waters. The process has also identified hazardous areas such as shipwrecks, unexploded ordinance. A preliminary assessment of the Gulf has been made so far. We have hired an outreach coordinator. We do not have all of the information we need to do this process (community input and user input, etc). The Outreach coordinator is doing a great job of connecting with potentially affected communities. We have also hired a media strategist. The federal government will be distributing preliminary concerns with areas. We are in the process of setting up scoping meetings with key individuals. Scoping meetings will happen in early August. After this process, we will have broader outreach meetings throughout the state at convenient locations to look at what we've looked at, and to get more feedback from the public in general. After all this, information will be assimilated, and areas will be selected.

#### **V. Public Comment:**

- Diane Messer: Compensation does not have to be monetary if communities form a citizen's advisory committee. If the citizens are part of the process, then this would be a good way to go.
- Jeff Thaler: As you develop all this effort in the context of energy, not just ocean energy, keep in mind, the no-action alternative, which means if we don't do anything – what will be the costs, not just monetary, but environmental, fisheries-related, other things as well. It's a real cost/benefit. Keep in mind people who have been attending all of these meetings and they can be employed as supporters of this process including letters, speeches, meetings, etc.
- Susan Sayer: People in Maine are against transmission, no one knows what smart grids are, are we looking at the Green Line, can we actually create offshore wind without doing a green line. PUC does not seem to see a need for additional transmission.
- Sarah Tracey – Coordination with Federal agencies. MMS did an environmental impact statement in preparation for leasing rules, and in the statement, they talk about testing offshore wind projects. They conclude that testing projects will not have a whole lot of environmental impacts.

- John Ferland – ORPC submitted a pilot project application to FERC for Alaska in March and Maine last Thursday. Very happy to be doing business in Maine. It's a much different flavor than other states. What Maine is doing is very innovative and is being nationally recognized as such. There remains work to be done to harmonize the federal agency activity. It illustrates how people can get work done for the benefit of the new industry, and also speaks to the fact that there is no clear path. ORPC sees the need for a working group to continue focusing on these issues after the Task Force expires.

## **VI. Economic Development**

- David Flannagan - We need to figure out the amount of manufacturing and profit that might come about as a result of ocean energy development, and also determine the amount of off peak wind generation for heating and electric cars. We can't know everything, and the industry changes quickly, but we wouldn't be doing our job if we didn't look at the precedent elsewhere. We need to know what our expertise is, where our comparative edge is, etc. We need to know how to shape federal and state tax policies to help the state of Maine. Both because we need this discussion about the merits of locating wind in Maine and in terms of our regional and national position, we need to do an economic analysis.
- The relevant comparison is not whether or not we're getting 85% of what we're spending on energy, it's whether we're getting ANY of what we're spending (as we currently don't).

## **VI. Closing**

- Representative Fitts – We need to go back through the executive order and make sure we're following our tasks. It's easy to get drawn off in another area, but so far we're doing okay.
- The Task Force will not meet in August. Meeting tomorrow with ISO NE is from 12 – 2:30 in Portland.