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PUBLIC ADVOCATE

May 16, 2019

Chairman Lawrence, Chairman Berry and Members of the Energy, Utilities and
Technology Committee,

The Office of the Public Advocate (“OPA”) testifies in support of LD 994
“Resolve, To Require the Approval by the Public Utilities Commission of a Proposal
for a Long-term Contract for Deep-water Offshore Wind Energy” which resolve
directs the Public Utilities Commission (“PUC”) to approve the long-term contract
for capacity and associated energy between Maine Aqua Ventus I, GP, LLC (“MAV”)
and Central Maine Power Company (“CMP”) submitted to the commission in
December 2017.

Let me give you a little background. The MAV project and long-term
contracting process had their genesis in An Act to Implement Recommendations of
the Governor’s Task Force on Wind Power Development, which established the first
state goal for offshore wind. P.L. 2007 ch. 661 §A-6. This was followed by the Ocean
Energy Task Force (“Task Force”) established by Governor Baldacci by Executive
Order dated November 7, 2008, and charged with recommending a strategy for
moving forward as expeditiously as practicable with the development of the vast,
indigenous, renewable ocean energy resources of the Gulf of Maine. The Ocean
Energy Act (“OEA”) was a key piece of legislation that resulted from the Task
Force’s recommendations. Prior to my becoming the Public Advocate I served on the

Ocean Energy Task Force, I was the sponsor of the OEA and I also chaired this committee in the 124th Legislature, which enacted the OEA on a unanimous vote in both the House and Senate.

The Task Force found that renewable ocean energy has enormous promise to address state and regional energy needs, including energy independence and security; limiting exposure to the volatile costs and supplies of fossil fuels; attaining our greenhouse gas reduction goals; and stimulating economic opportunity for our citizens. Maine has significant offshore wind energy resources, which can play a role in addressing transportation and home heating needs.

The Task Force concluded that making the transition to off-shore energy (wind, tidal, and wave) when the time is right can provide Maine long-term price stability, domestic political control over its energy future, development of a new industry cluster, and jobs for Maine people. Increasing access to an energy resource with a fuel cost of zero for electricity, heat, and transport would provide Maine people with insurance against increases in oil and gas prices. The Task Force found that despite the hurdles that development of Maine's ocean energy resources will encounter along the way to commercialization, the potential benefits dictated concerted action now to ensure that Maine is positioned to capture the tremendous promise these resources can provide.

The Task Force also recommended that Maine act immediately to support the electrification of heating and transportation. It also predicted that commercialization of deep water offshore wind power was at least five to ten years down the road. The Task Force specifically noted the opportunity for Maine to leverage state and federal funding in pursuing ocean energy in general and offshore wind and the University-led effort that became MAV. The Task Force knew in 2009 that we needed to begin the process now, to clear obstacles

and cut lead time for future deployments. Now, in 2019, ten years later, Maine sits on the cusp of commercializing its significant offshore wind resources.

The Task Force understood that legislation – enacted by the Legislature, reviewed by the Governor – should play a key role in defining what is reasonable in light of goals to advance development of the State’s renewable ocean energy resources, and suggested that the existing system benefit charge level at that time was a good benchmark for determining whether an ocean energy contract’s rate impacts were reasonable.

When the Legislature enacted the OEA in 2010, it adopted virtually all of the Task Force’s findings and recommendations. The preamble, finding sections, policies and activities prescribed by the Legislature in the OEA all point to the overarching issue of overreliance on oil to heat our homes and fuel our vehicles and fossil fuels to run our electric power plants. The OEA also includes the Task Force’s additional finding that “climate change, caused primarily by the burning of fossil fuels, may in fact pose an even greater threat to the environment, economy, social fabric and human health.”

The Legislature directed the Commission to issue a Request for Proposals for renewable ocean energy development projects – and to order our transmission and distribution utilities to enter into long term contracts with renewable ocean energy projects for capacity, energy, and renewable energy credits.

The Legislature set the stage for the MAV project in 2009 when it enacted an \$11 MM offshore wind research bond that was subsequently approved by voters, The Legislature acted again in 2013, when it passed the Omnibus Energy Act (P.L. 2013 ch. and An Act to Provide for Economic Development with Offshore Wind Power (P.L. 2013 ch. 378) and specifically directed the Commission to conduct a second offshore energy solicitation and also specifically removed any doubt about

whether the MAV project would qualify to be considered under the OEA.

Maine has come a long way in the steadfast pursuit of our opportunities in ocean energy. For diverse reasons – including but not limited to the price and volatility of fossil fuels, and environmental and economic considerations – for over a decade Maine policy has unwaveringly supported offshore wind development within the statutory bounds created by the Legislature.

Unfortunately, in January of 2018 the PUC delayed the long-term contract approval and solicited public comment on whether to reopen the Request for Proposals.

In June 2018 the PUC voted not to address the long-term contract between Maine Aqua Ventus and CMP filed with the PUC in December 2017. A disappointing and shortsighted PUC decision.

It is imperative that for the Legislature to strongly affirm its support for the important project by directing the PUC to approve this long-term contract between Maine Aqua Ventus and CMP so that the Deep-water Offshore Wind Energy Pilot Project may move forward.

The process is nearly complete and this decade-long initiative to move towards commercialization. The Public Advocate urges the Commission to, paraphrasing the Legislature, make every effort to finalize a contract for MAV.

Thank you for your time, attention and consideration of this testimony. The Office of the Public Advocate looks forward to working with the Committee on LD

994, and will be present at the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

A handwritten signature in black ink, reading "Barry J. Hobbins". The signature is written in a cursive style with a large, prominent initial "B".

Barry J. Hobbins
Public Advocate