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May 7, 2019

Chairman Lawrence, Chairman Berry and Members of the Energy, Utilities and Technology Committee (“EUT”),

The Office of the Public Advocate (“OPA”) testifies mostly neither for nor against LD 1494 “An Act To Reform Maine’s Renewable Portfolio Standard” which would increase the percentage of supply sources from 10% to 50% by 2030 for retail electricity sales in the State that must be accounted for by new renewable capacity resources. It makes several changes to resource eligibility to meet these requirements and creates a renewable portfolio standard for thermal energy resources. LD 1494 also directs the Public Utilities Commission (“PUC”) to procure long-term contracts (at least twenty years) for an amount of renewable capacity resources that is equal to 1/2 the amount of the portfolio requirements for these resources and requires the PUC to conduct annual competitive solicitations for the long-term contracts.

The portion of this bill that creates portfolio requirements for “thermal renewable energy credits” should only be considered if the EUT has a clear understanding of the benefits and costs of such provisions. It appears to apply to only biomass facilities and the costs and benefits are unclear.

This last section of this bill presents significant concerns. Putting into statute a requirement that utilities enter into “one or more contracts for energy or renewable energy credits from new renewable capacity resources” will very likely lead to higher rates for Maine customers in the short term who already pay some of the highest rates in the country. The fact that twenty-year contracts will spring from competitive

solicitations is helpful but it does not alleviate the serious risk of above-market contracts. Perhaps at an earlier time when wind and solar faced significant economic obstacles in the market, such a provision might have made sense as a way to stimulate the market, but the OPA believes that time may have passed. In the end the decision is one of a policy issue for the EUT, the legislature and the Executive Branch and not for the OPA.

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 1494, and will be present at the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,



Barry J. Hobbins  
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