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Testimony in Support LD 596, "Resolve, to Provide Legislative Approval of Northern Maine Transmission Infrastructure" March 11, 2025

Senator Lawrence, Representative Sachs, and distinguished members of the Joint Standing Committee on Energy, Utilities and Technology,

My name is Heather Sanborn, here today as Public Advocate, to testify in support of LD 596, Resolve, to Provide Legislative Approval of Northern Maine Transmission Infrastructure. This Resolve provides that, pursuant to the requirements of the Maine statutes,¹ the Legislature approves the construction and operation of a "high-impact electric transmission line"² and needed facilities to interconnect renewable energy resources in northern Maine with the electric grid operated by the New England Independent System Operator (ISO-NE). The OPA supports this resolve, as the Northern Maine Transmission line has the potential to provide significant benefits to Maine ratepayers.

During its 2021 session, the Legislature enacted an Act to Require Prompt and Effective Use of the Renewable Energy Resources of Northern Maine (the Act)³, which established the Northern Maine Program. The Act requires the PUC to issue an RFP for: (1) the development and construction of a transmission line or lines to connect renewable energy resources located in northern Maine with the electric grid operated by ISO-NE; and (2) the development of renewable energy generation projects that are designed to connect to and transmit power across the transmission line or lines procured. The PUC may accept the bids resulting from the RFP upon consideration of costs, economic benefits to northern

¹ 35-A MRSA §3132 (6-C)

² A high impact electric transmission line is defined in 35-A MRSA §3131 (4-A) as a transmission line greater than 50 miles in length that is constructed to transmit direct current electricity; or capable of operating at 345 kW or more and is not a generator interconnection facility and is not constructed primarily to provide electric reliability.

³ Act to Require Prompt and Effective Use of the Renewable Energy Resources of Northern Maine, 35-A M.R.S. § 3210-I

Maine, and the achievement of the State's renewable energy goals.⁴

In addition, under current law, the PUC is required to pre-approve the construction of a high-impact transmission line through the issuance of issue a Certificate of Public Convenience and Necessity (CPCN) upon a finding that the construction of the line is in public interest.⁵

To comply with the requirements of the Northern Maine Program legislation, on November 29, 2021, the PUC issued the required RFP for both transmission and generation proposals. The PUC received a number of timely proposals, and, on November 1, 2022, the PUC selected a transmission project and a wind generation project through approval of Term Sheets. The selection was based on the PUC's determination that these projects represented the optimum choice pursuant to the statutory criteria.⁶

In approving the projects, the PUC noted that, although these projects were the best option, it was more difficult to assess whether Maine ratepayers should bear the full cost of these two projects, the major component of which was the cost of transmission. The PUC then communicated with the Massachusetts Department of Energy Resources regarding Massachusetts utilities paying for a percentage of the projects.

Over months of discussions and negotiations regarding contracts, the transmission project sought to significantly modify the provisions of the approved Term Sheets (removing the fixed price). On December 22, 2023, the PUC issued an Order Terminating Procurement, stating that the contract terms must be consistent with the approved Term Sheets and that it would be fundamentally unfair to the other bidders to permit changes to the pricing of the transmission project. Moreover, taking such a course would also be unfair to ratepayers, as the PUC would have no assurance that the transmission project would remain "the most cost-effective and efficient transmission access to renewable energy resources in Northern Maine" as required by the Northern Maine Program.⁷ Finally, the

⁴ 35-A M.R.S. § 3210-I(2)(B)

⁵ 35-A M.R.S. § 3132

⁶ PUC Docket No. 2021-00369

⁷ 35-A M.R.S. § 3210-I(2)(C)(1)

PUC stated that it would initiate a new procurement, which has not yet occurred.

The enactment of the proposed Resolve at this time would expedite the development of a transmission line consistent with the requirements specified in statute⁸ and would maintain the role of the PUC in considering the benefits and costs of specific proposals presented during the RFP process, as well the PUC reviewing the project during the CPCN process which requires a finding that the transmission line is in the public interest.

Moreover, the timing is critical here as ISO-NE is also planning to issue an RFP this year for several transmission projects that are related to the Northern Maine Project as part of a regional longer-term transmission planning (LTTP) project.⁹ This regional approach to transmission planning and procurement is highly likely to benefit Maine ratepayers by ensuring an efficient and cost-effective build-out of the grid that will be necessary to support our needs as electricity demand continues to grow.

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 596 and will be available if requested for the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

Heather Sanborn Public Advocate

⁸ 35-A M.R.S. § 3210-I

⁹ ISO-NE plans to issue an RFP to address the following needs by 2035: 1) Increase Surowiec-South (Pownal, ME) interface limit to at least 3,200 MW, 2) Increase Maine-New Hampshire interface limit to at least 3,000 MW, and 3) Accommodate the interconnection of at least 1,200 MW of new onshore wind at or near Pittsfield, Maine.