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April 28, 2015

Office of the Public Advocate Testimony on LD 1314 "An Act to Establish Primary Energy Goals for the State"

Chairman Dion, Chairman Woodsome and Members of the Energy, Utilities and Technology Committee,

The Office of the Public Advocate testifies in **support** of LD 1314, an Act to Establish Primary Energy Goals for the State.

The first half of the bill's succinct statement of the state's energy policy—to reduce electric rates and costs for Maine homes and businesses—is the mission of our Office. The second half appropriately focuses on the state's other fundamental energy challenge: reducing greenhouse gas emissions in a cost-effective and aggressive manner.

We expect that the bill will be controversial because this new goal supplants existing technology-specific goals for wind and solar. Both technologies can help meet the goals proposed by the bill. Grid-scale wind bids into the wholesale electric markets at zero, placing downward pressure on wholesale electric prices in Maine. The Commission's Value of Solar Study describes the various ways in which solar may provide benefits to ratepayers, value that may exceed the cost of installation.

It is unclear whether removing the statutory goals would have any impact on either industry in Maine. The Wind Energy Act set specific goals for grid-scale wind but without specific policies to achieve those goals. Not surprisingly, the state has fallen well short of the

goal of constructing 2,000 MW of wind energy in Maine, and is likely to continue to miss future statutory goals. Most of the wind that has been, and is planned to be, built in Maine is being built in furtherance of the policies of other states, who implemented mechanisms such as long-term contracts to achieve their ambitious renewables goals.

Our experience with the Wind Energy Act has shown that articulating technology-specific goals without a mechanism to achieve them can result in these goals becoming “free radicals,” attaching themselves to all sorts of efforts the Legislature may not have originally intended or would not support. For example, the goals of the Wind Energy Act have been cited before the Maine PUC, typically by utilities, in transmission siting cases, long-term contracting dockets, utility reorganizations, and even the discussion of whether Maine should continue to remain part of ISO New England. While this could still happen with the broader goals articulated in this bill, it would allow the Commission to consider all available methods to achieve these goals on an equal playing field, which should aid in choosing the most cost effective solution in a given instance.

We look forward to working with the Committee on this bill, and will be present at the work session.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Timothy R. Schneider".

Timothy R. Schneider
Public Advocate