

## **The Maine Heritage Policy Center Testimony to Support LD 1027**

### **“An Act To Eliminate the 100-megawatt Limit on Hydroelectric Generators under the Renewable Resources Laws”**

Senator Lawrence, Representative Berry, and distinguished members of the Joint Standing Committee on Energy, Utilities, and Technology, my name is Adam Crepeau. I serve as the policy analyst at The Maine Heritage Policy Center and am here to testify in favor of LD 1027, “An Act To Eliminate the 100-megawatt Limit on Hydroelectric Generators under the Renewable Resources Laws.”

The Maine Heritage Policy Center supports this proposal for three simple reasons: it levels the playing field in Maine’s electricity market, promotes competition, and will lead to lower prices for consumers.

This bill would allow suppliers of electricity in Maine to explore opportunities to import energy from hydro generators in Canada. Hydro-Quebec is working to broaden its market in New England, and neighboring states are already pursuing opportunities to tap into Canadian hydropower; the question is whether Maine will join them by making sensible reforms to its energy policies.

This bill would also incentivize existing hydroelectric generators in Maine--particularly the several dams with current capacity over 70 MW--to harness technological innovation such as new, efficient turbines to increase their capacity and potentially exceed 100 MW. With this cap in place, there is no way to know how much untapped local hydro capacity is being stifled.

The Legislature’s decision in 2009 to lift the 100 MW cap for wind facilities--while maintaining the restriction on other types of renewable resources--reeks of economic favoritism. Hydroelectric power, which Maine has relied on heavily for many generations, provides clean, reliable, and inexpensive electricity. Protectionist policies that provide artificial support for certain sources of energy reduce competition and drive up prices. One of the stated objectives of Maine’s RPS program is to diversify our energy sources; yet this arbitrary 100 MW cap restricts our options and limits the portfolio of energy resources available to electricity providers and, ultimately, consumers.<sup>1</sup>

---

<sup>1</sup> [https://www.renewablemaine.org/docs/LEI\\_Study\\_Summary\\_by\\_MREA.pdf](https://www.renewablemaine.org/docs/LEI_Study_Summary_by_MREA.pdf)

Maine needs to aggressively pursue energy policies that address the cost of electricity. Residential electricity in Maine is 26.5 percent more expensive than the national average.<sup>2</sup> A 2016 study found that the bottom 20 percent of income earners in the United States spend nearly 10 percent of their income on electricity while the top 20 percent spend two percent of their income on this expense.<sup>3</sup> There is little poor families can do to mitigate these costs--they are a fixed living expense. This bill, as the Office of the Public Advocate testified in 2015, would be “virtually certain to lower electricity costs for Maine ratepayers” and reduce the financial strain on thousands of Maine households.<sup>4</sup>

Lastly, according to public advocate’s testimony in 2017, Maine’s renewable portfolio standards (RPS) require 40 percent of Maine’s energy supply to come from renewable resources. If this bill passes, hydroelectric resources over 100 MW would be included as a means of achieving 40 percent in the RPS requirements. If hydroelectric energy is clean and cheap, why would the state exclude hydroelectric resources that generate over 100 megawatts from the RPS requirements established in Title 35-A, Section 3210?<sup>5</sup>

Ask yourselves this: Why is this cap in place? Thank you.

---

<sup>2</sup><https://www.eia.gov/state/?sid=ME#tabs-5>

<sup>3</sup> <https://www.citylab.com/equity/2016/04/electricity-bills-by-city-low-income-costs/478155/>

<sup>4</sup> <http://www.mainelegislature.org/legis/bills/getTestimonyDoc.asp?id=21677>

<sup>5</sup> <http://www.mainelegislature.org/legis/bills/getTestimonyDoc.asp?id=49526>