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Testimony Neither for nor Against
LD 1888, “An Act to Reduce Electricity Costs for Maine's Consumers and Businesses
by Amending the Laws Governing Renewable Resources”

May 23, 2023

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

My name is William Harwood, here today as Public Advocate, to testify neither for nor against LD 1888, “An Act to Reduce Electricity Costs for Maine's Consumers and Businesses by Amending the Laws Governing Renewable Resources.” The OPA apologizes for not being able to testify on this bill at the public hearing and appreciates the sponsor bringing this bill forward.

Our Office supports capping Class II REC costs by establishing an ACP mechanism, as exists for Class I/IA RECs. These costs ultimately end up being paid by ratepayers who are already suffering under historically high electricity prices. However, we support giving the PUC some flexibility to adjust the ACP, as needed to balance the competing goals of promoting renewable energy and keeping electricity affordable.

The OPA recognizes that different Class II REC generators have different functions in our society, so it may be important to set different ACPs for hydropower generation than trash to energy generation. Although the environmental benefits are uncertain, OPA recognizes that Class II RECs may be important to the continued operation of Maine’s three trash to energy facilities. While it is difficult to be sure how much of a subsidy is needed, OPA does not want the rug to suddenly be pulled out from under these facilities that may be relying on this subsidy. The OPA recommends that the amount of subsidy for these three facilities be determined by adjusting the so-called multiplier to provide them the minimum number of RECs needed for the next few years. Between now and the scheduled phase out of the trash-to-energy multiplier, the GEO and PUC should investigate the continued need



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for a ratepayer subsidy for these facilities. If, in the long run, a subsidy is needed for these facilities to survive and the environmental benefits justify the subsidy, the OPA recommends that it be provided by taxpayers rather than ratepayers.

Finally, OPA recognizes that the Committee has preliminarily decided in an amended version of LD 187 that Class I ACPs should be dedicated to expanding benefits to low income ratepayers under the LIAP Program. OPA supports and appreciates this important decision. The OPA recommends that Class II ACPs also be dedicated to supporting the LIAP program. However, the amount of the ACP should be set based solely on balancing the competing goals of promoting renewables and keeping electricity affordable, rather than maximizing LIAP benefits.

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 1888 and will be available for the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

William S. Harwood
Public Advocate