



State of Maine
Office of the Public Advocate
112 State House Station, Augusta, Maine 04333-0112
(207) 624-3687 (voice) 711 (TTY)
www.maine.gov/meopa

Janet T. Mills
GOVERNOR

William S. Harwood
PUBLIC ADVOCATE

**Testimony In Support of
LD 399, “An Act to Amend the Portfolio Requirements for Class II Resources” and
In Opposition to
LD 437, “An Act to Eliminate the Repeal Provision on Waste-to-energy Renewable
Energy Credits”
March 28, 2023**

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

My name is Benjamin Frech and I am the Senior Assistant to the Public Advocate, here today to testify in support of LD 399, “An Act to Amend the Portfolio Requirements for Class II Resources” and in opposition to LD 437, “An Act to Eliminate the Repeal Provision on Waste-to-energy Renewable Energy Credits.”

Under current law, a generator using fuel from municipal solid waste has a 300% multiplier applied to its output. Class II Renewable Energy Credits (RECs) sold by waste to energy plants allow those facilities to reinvest in their operations and defray the costs of maintenance/refurbish key components. The 300% multiplier increases this benefit.

Maine is left with two choices regarding how to ultimately dispose of non-recyclable waste generated within the state: landfill or combustion. Combustion is higher on the state’s waste hierarchy and extracts the remaining value (the energy) from the waste. In the case of Ecomaine, for example, waste to energy generates about 100,000 MWh/yr.

According to the PUC’s Annual Report on New Renewable Resource Portfolio Requirement from 2022 (report for 2020 activity), RECs generated by waste to energy plants accounted for less than 9% of those used to satisfy Maine’s 2020 Class II RPS requirement. Recognizing the increase in Class II REC prices, the introduction of an ACP for Class II resources will act a price cap and safety valve. The amendment for LD 399 proposes a price,



State of Maine
Office of the Public Advocate
112 State House Station, Augusta, Maine 04333-0112
(207) 624-3687 (voice) 711 (TTY)
www.maine.gov/meopa

Janet T. Mills
GOVERNOR

William S. Harwood
PUBLIC ADVOCATE

which may not be greater than \$25 or less than \$10, but the PUC shall, by rule, set this rate annually.

Establishing an ACP would set Class II compliance costs and prevent runaway cost increases. Class II REC prices make up a small fraction of a customer's monthly bill but the OPA believes adding an ACP would make sure that further market increases wouldn't exceed a certain dollar threshold. It is ultimately for that reason that we are in support of the amended version of this legislation.

The OPA is opposed to LD 437 because we do not support repealing the sunset and instead, would like to see the sunset extended to 2029 as proposed in the sponsor's amendment to LD 399. The extension of the sunset allows the Commission and/or the Legislature to revisit this issue if the subsidy becomes more than what generators need.

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

Respectfully submitted
on behalf of,

William S. Harwood
Public Advocate