

Maine Climate Action **NOW!**

To Maine Legislature Committee on Energy, Utilities and Technology

From Amy Eshoo, Maine Climate Action Now

Date May 18, 2023

Re LD1895 An Act Regarding the Procurement of Energy from Offshore Wind Resources OUGHT TO PASS

Senator Lawrence, Representative Zeigler, and Honorable members of the Committee on Energy, Utilities and Technology, my name is Amy Eshoo I am a resident of North Yarmouth and Director for Maine Climate Action Now, a statewide coalition of grassroots organizations who support transformative action in response to the climate crisis

Our work as a coalition is to center equity and justice in climate action especially in the transition towards clean renewable energy An obligation of energy procurement and development of this size is that no one is left behind unlike past energy systems and investments where communities were adversely impacted and overburdened by the industries, and underserved where not everyone had the opportunity to be in the workforce or benefit economically This offshore wind procurement bill promotes diversity, equity and inclusion which are woven throughout its sections

The plan for ongoing investment in community benefits and economic benefits means all ratepayers will gain The bid requirements include standards set for a diversity, equity and inclusion plan which includes provisions for workforce, supplier and investor diversity which would mean that across the board Mainers would have opportunities to take part in the growth of this new economy

There are also requirements for a consultation, stakeholder engagement and community benefit plan This bill asks for more than ticking of the boxes here There is an incentive for bidders to describe their meaningful stakeholder engagement plans and to prioritize economic and community benefits for low-income ratepayers, environmental justice populations and federally recognized tribes in Maine Economic benefits from the development of offshore wind will be distributed equitably and broadly, both geographically and demographically

Engagement ensures that everyone participates from the beginning and throughout the process in more than just meetings, they are part of the process and part of the solution To achieve a transition to clean renewable offshore wind energy on this scale needs everyone to have a vested interest across the state

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To date there haven't been Diversity, Equity and Inclusion standards in energy procurement in Maine. We are following what other states have successfully done by setting high standards in this procurement bill. Other states have enacted offshore wind policies and procurements, and every state legislature that has acted has used their authority to set standards for offshore wind development, including to ensure that the benefits of this new industry are distributed equitably. These rules are being accepted by developers as common practice and will be helpful politically to build out this industry because they encourage community buy-in.

For example, in Massachusetts, *An Act driving clean energy and offshore wind* enacted in 2022, outlined equity in the workforce similar to what we call for in this bill and benefits for low-income communities and low-income ratepayers. And in Rhode Island's *Affordable Clean Energy Security Act* enacted in 2022 there is a requirement for all bidders to provide, at a minimum, a Diversity, Equity and Inclusion plan to enable access by historically marginalized communities to employment and vendor opportunities.

[see appendix]

This bill puts Maine in a strong position in the development of offshore wind in the Gulf of Maine. The diversity, equity and inclusion requirements and the stakeholder engagement central to this bill are important to us at Maine Climate Action Now. Please vote Ought To Pass for LD 1895. Thank you for your consideration.

OTHER STATES PROVISIONS IN STATUTE

for Environmental Justice (EJ) and Diversity, Equity and Inclusion (DEI)

Massachusetts, Rhode Island, Maryland, Virginia, New York, New Jersey, North Carolina

Massachusetts: *enacted 2022 An Act driving clean energy and offshore wind*

EJ The department shall give preference to proposals that demonstrate benefits from (iv) employment opportunities for 1244 members of federally and state recognized tribes in the commonwealth, workers from low1245 income communities and certified minority-owned and women-owned small business enterprises 1246 in the commonwealth, (v) the maximization, to the extent feasible, of economic development and 1247 employment contributions to the commonwealth As part of the evaluation process, the department of energy resources shall produce **a numeric score for each bid's economic development commitments** and for plans for financial and technical assistance to support wildlife and habitat monitoring

DEI The department shall give preference to proposals that demonstrate benefits from (vi) additional benefits to low-income communities and low-income ratepayers in the commonwealth, including opportunities for diversity, equity and inclusion

Rhode Island: *enacted 2022 Affordable Clean Energy Security Act*

DEI request for proposals shall require all bidders to provide, at a minimum a DEI plan for proposed strategy to enable access to employment and vendor opportunities for historically marginalized communities

Maryland: *enacted 2019 Clean Energy Jobs Act*

EJ Their Power Plant Research Program shall conduct a study of the renewable energy portfolio standard and include whether the public health and environmental benefits of the growing clean energy industries supported by the standard are being equitably distributed across overburdened and underserved **environmental justice communities**

DEI The applicant for an offshore wind project must sign a community benefit agreement that includes a commitment to promoting **increased opportunities for local businesses and small, minority, women-owned, and veteran-owned businesses in the clean energy industry**

Maryland enacted 2023 Promoting Offshore Wind Energy Resources Act

An application for offshore wind projects will include a commitment to a description of the applicant's plan for engaging small businesses, as defined in § 14–501 of the State Finance and Procurement Article, If an applicant is seeking investors in a proposed offshore wind project, it shall take the following steps before the Commission may approve the proposed project 1 make serious, good-faith efforts to solicit and interview a reasonable number of minority investors, as part of the application, submit a statement to the Commission that lists the names and addresses of all minority investors interviewed and whether or not any of those investors have purchased an equity share in the entity submitting an application, 3 as a condition to the Commission's approval of the offshore wind project, sign a memorandum of understanding with the Commission that requires the applicant to again make serious, good-faith efforts to interview minority investors (*Maryland first included minority investor requirement in enacted 2013 law*)

Virginia: enacted 2020 Virginia Clean Economy Act

provides that it is the policy of the Commonwealth that the State Corporation Commission, Department of Environmental Quality, Department of Mines, Minerals and Energy, Virginia Council on Environmental Justice, and other applicable state agencies, in the development of energy programs, job training programs, and placement of renewable energy facilities, shall consider those facilities and programs being to the benefit of **low-income geographic areas and historically economically disadvantaged communities** that are located near previously and presently permitted fossil fuel facilities or coal mines

New York: enacted 2019 Climate Leadership and Community Protection Act

EJ Climate change especially heightens the **vulnerability of disadvantaged communities**, which bear environmental and socioeconomic burdens as well as legacies of racial and ethnic discrimination Actions undertaken by New York state to mitigate greenhouse gas emissions should **prioritize the safety**

and health of disadvantaged communities, control potential regressive impacts of future climate change mitigation and adaptation policies on these communities, and **prioritize the allocation of public investments in these areas.**

New Jersey: *enacted 2010 Offshore Wind Economic Development Act*

EJ "Social program" means a program implemented with board approval to provide assistance to a **group of disadvantaged customers**, to provide protection to consumers, or to accomplish a particular societal goal, and includes, but is not limited to, the winter moratorium program, utility practices concerning "bad debt" customers, low income assistance, deferred payment plans, weatherization programs, and late payment and deposit policies

North Carolina: *enacted 2021 Energy Solutions For North Carolina*

EJ In reviewing any such PBR application under this section, the Commission may consider whether the PBR application **Reduces low-income energy**

DEI In reviewing any such Performance Based Regulation application under this section, the Commission shall consider whether the PBR application a Assures that **no customer or class of customers is unreasonably harmed and that the rates are fair both to the electric public utility and to the customer.** b Reasonably assures the continuation of safe and reliable electric service c Will not unreasonably prejudice any class of electric customers and result in sudden substantial rate increases or "rate shock" to customers