

Testimony of Industrial Energy Consumer Group
in Support of
LD 1708, *An Act To Create the Pine Tree Power Company, a Nonprofit Utility, To Deliver Lower Rates, Reliability and Local Control for Maine Energy Independence*
May 20, 2021

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

I am Steven Hudson, an attorney with Preti Flaherty, here today to present the testimony of Industrial Energy Consumer Group (“IECG”), in tentative and qualified support of LD 1708, *An Act To Create the Pine Tree Power Company, a Nonprofit Utility, To Deliver Lower Rates, Reliability and Local Control for Maine Energy Independence*. The Industrial Energy Consumer Group is a diverse group of energy consumers that has worked for 35 years to lower energy costs and to create a reliable low emission energy supply to support all consumers.

Our Board has come to IECG’s position based on information gathered as members of the Maine Climate Council and Governor Mill’s Economic Recovery Committee in 2020, our experiences in attempting to further the Maine’s climate goals, our observations on the NECEC controversy, and our bitter experience regarding Maine’s failed efforts on improving natural gas pipeline capacity for New England. In addition, the Board has had many discussions of this issue at IECG’s monthly and special meetings. IECG’s President has summed up our position as “almost neither for nor against,” and how the bill evolves, and our understanding of it increases will determine our final position.

Our current position on LD 1708 and the Pine Tree Power Company (“Pine Tree”) comes with some reluctance. It also comes with a clear caveat that could swing us to opposition. Our reluctance is based on our recognition of the certain challenges that will lie ahead for Maine if the Legislature enacts and voters choose to approve this course for future development of the grid. In addition, the clear entrance of politics into the selection of the board for Pine Tree means that process will be both responsive to the public, but also risks misleading the public as we have seen in some political campaigns throughout the years. We live in polarizing times, as opposed to times of true compromise or consensus. A determined minority financed by larger opponents opposes things we know we need to do – whether building transmission or rectifying energy policy mistakes. The Committee has had to wade through too many examples of this over the last several years. And while we acknowledge the challenges our State faces, it seems far too many are willing to spend the ratepayers’ money without being sure that we are spending it for the biggest climate reductions and in the best possible way to get us to 2050. Too often it seems that costs for energy policy and politics go unnoticed until they end up in the monthly power bill, when it’s too late.

As IECG has stated several times – the current system for electricity infrastructure is broken. IECG’s members participate at FERC, ISO-New England, NEPOOL and in Augusta,

and we have seen firsthand that the energy regulatory and delivery system is broken in many places. We now add it is inadequate to solving the climate crisis. At the same time, it is not clear that a consumer-owned alternative is demonstrably and reliably superior in practice. But it is seldom wrong for all of us, together, to consider change, especially “on the village green.”

Despite this Committee’s dedication, no in-depth legislative examination of the complex issues contained within LD 1708 has occurred. This isn’t your fault. The issues in this bill may not be digestible in a Covid-impacted session. And we fault neither the proponents nor the investor-owned utilities. While it does seem to us that LD 1708 is an improvement over earlier versions from the 129th Legislature, we urge the Committee to find the time to fully assess the strengths and weaknesses of this bill, and improve it as much as possible to determine what approach for Maine will ensure the foremost purpose of LD 1708 is achieved: “[t]o deliver electricity...in a safe, affordable and reliable manner.”

Here is the clear caveat to our support: IECG only supports LD 1708 contingent on it being sent to the voters for approval at the next general election, when some 70% of voters will participate. An issue of this magnitude should not be decided by a small fraction of voters, as in an off-year referendum. IECG will oppose enactment of this bill for decision in an off-year referendum.

IECG is prepared to assist the Committee in its deliberations on LD 1708. I would be pleased to answer any questions now or at the work session.