



Testimony in Support of LD 635:

"Resolve, to Direct the Attorney General to Drop the Lawsuit Filed Against Big Oil Companies Concerning Climate Change"

Senator Carney, Representative Kuhn, and the distinguished members of the Committee On Judiciary, my name is Harris Van Pate and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in support of LD 635, "Resolve, to Direct the Attorney General to Drop the Lawsuit Filed Against Big Oil Companies Concerning Climate Change."

LD 635 is a critical step in ensuring that Maine's government focuses its resources on policies that will effectively serve the people of our state rather than engaging in costly and politically-motivated legal actions against private industry. The lawsuit filed by Attorney General Aaron Frey against major oil companies is a misguided attempt to address complex global climate issues through litigation rather than sound policymaking.

The Lawsuit is a Costly and Ineffective Use of State Resources

The Attorney General's lawsuit is based on the premise that oil companies misled the public about the effects of fossil fuels on climate change. However, rather than promoting meaningful environmental or economic reform, the lawsuit only enriches trial lawyers at taxpayer expense while doing little to mitigate the impacts of climate change on Maine.

History has shown that similar lawsuits in other states have resulted in protracted legal battles with limited or no tangible benefits to the public. One example is Energy Transfer, whose lawsuit against Greenpeace over anti-pipeline protests in 2016 and 2017 is just going to trial.¹ Even far more apparent and straightforward cases with federal Department of Justice backing, such as the Deepwater Horizon Oil Spill, have taken over five years for final settlements out of court to be reached.²

Lawsuits against big oil are costly and time-consuming, and it is wholly inappropriate to initiate with such lengthy chain-of-causation support when Maine is already in dire financial straits.

¹ <https://www.theguardian.com/us-news/2025/feb/20/greenpeace-energy-transfer-dakota-pipeline-trial>

²

<http://web.archive.org/web/20150709030516/https://abcnews.go.com/US/wireStory/gulf-states-reach-187b-settlement-bp-oil-spill-32178742>



Market-based Solutions are More Effective than Litigation

Maine should prioritize free-market environmental solutions over legal retribution. The energy sector is already shifting toward lower-carbon technologies due to consumer demand and innovation, not government coercion.³ Advancements in carbon capture, alternative fuels, and efficiency improvements are driven by competition and private investment, not by punitive legal action.

Furthermore, this lawsuit ignores the reality that fossil fuels have played an essential role in Maine's economy. The benefits of affordable, reliable energy cannot be overlooked, from heating homes in our harsh winters to fueling industries that employ thousands of Mainers. A lawsuit that seeks to punish energy companies could lead to higher energy costs for Maine families and businesses, further straining household budgets and economic growth.

Everyday Mainers Bear the Actual Costs

Lawsuits like these don't invent compensation out of thin air. They cost the energy companies' bottom line. While this isn't meant to be used to argue sympathy for BP oil executives, it shows that lawsuits like this, with 16 different defendants, effectively function as an industry-wide corporate tax.⁴

While corporate taxes may seem to be progressive on paper by trying to target company profits, a multitude of research shows that a majority of the corporate tax burden falls onto consumers and more than a quarter onto employees.⁵ Only around one-fifth of the corporate tax burden typically falls on company owners. Therefore, the end-of-the-line consumers of these energy companies' products, effectively anyone with an electric bill, would pay \$2.60 for every dollar that corporate shareholders will pay from this lawsuit, and employees of these companies will pay \$1.28 for every corporate dollar of cost. All of this, of course, is from passed-on price increases in energy production.

Maine, and New England in general, already have incredibly high electricity prices, and this lawsuit would only further increase the costs placed on Maine's energy bills.⁶ In effect, by trying to repair an injury the lawsuit alleges occurred to the Maine public, it would be levying increased energy costs against that same Maine public.

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<https://www.theglobeandmail.com/opinion/editorials/article-the-free-market-economics-powering-renewable-energy/>

⁴ <https://www.forbes.com/sites/waynewinegarden/2024/06/03/fossil-fuel-lawsuits-are-a-tax-on-consumers/>

⁵ https://www.nber.org/system/files/working_papers/w27058/w27058.pdf

⁶ <https://mainepolicy.org/research/the-staggering-costs-of-new-englands-green-energy-policies/>



A Distraction from Real Policy Solutions

If climate change is indeed a significant issue for Maine, the resources spent pursuing this lawsuit would be better allocated toward adaptation strategies that benefit Mainers, such as resilient infrastructure, encouraging nuclear rollout, and encouraging efficiency improvements in private-sector energy production.

Moreover, targeting energy companies through litigation sets a dangerous precedent that could be used to justify lawsuits against any industry that contributes to greenhouse gas emissions, including agriculture, transportation, and manufacturing. Such a legal strategy is an overreach of government power and makes Maine appear to have an incredibly business-hostile environment.

Conclusion

For these reasons, we strongly urge the Committee to support LD 635 and direct Attorney General Aaron Frey to withdraw from this unproductive and politically motivated lawsuit. Maine should focus on pragmatic, market-driven approaches that encourage innovation, protect consumer choice, and uphold the principles of economic freedom. Thank you for your time and consideration.