

Tony Buxton Testifying on Behalf of Industrial Energy Consumer Group

In Opposition To

LD 640, Resolve, To Require a Study of Greenhouse Gas Emissions Reductions from the Proposed Central Maine Power Company Transmission Corridor

March 15, 2019, Joint Standing Committee on Environment and Natural Resources

Senator Carson, Representative Tucker, members of the Joint Standing Committee on Environment and Natural Resources. I am Tony Buxton from Portland. I am an attorney with Preti Flaherty, where I co-chair the Climate Strategies Group. Today I represent Industrial Energy Consumer Group in opposition to this Resolve.

IECG respectfully asks that you not help to delay the permitting and operation of the NECEC by enacting this Resolve. Implementing the Resolve unquestionably will delay certain proceedings. There is no basis for delay other than mere speculation.

With all respect, replacing retiring oil and coal plants in southern New England with 1200 MW of Canadian hydro is a climate benefit in Maine, let alone its climate benefits in Southern New England. In fact, according to a generator opposed to NECEC, NECEC will reduce the contribution of the electricity sector to Maine's total greenhouse gas emissions by one third (33 percent). This will be the largest single reduction in CO2 emissions in Maine history. Every day that one third reduction in CO2 is delayed puts thousands of tons of CO2 into the atmosphere where it stays for one hundred years. Prevention of CO2 emissions is the only cure. This Resolve prevents prevention itself, to the extent it causes delay.

In not one of the NECEC regulatory proceedings has there been actual proof that NECEC will cause other Hydro-Quebec customers to switch from hydro to fossil fuels. There has been only speculation. HQ has only one small gas-fired powerplant of 411 MW out of a total of 36,000 MW of generation, so what is feared cannot possibly happen in Quebec. Canada, unlike the United States, still subscribes to the Paris Accords and discourages fossil fueled generation, so what is feared is unlikely to happen elsewhere in Canada. Finally, the unrebutted testimony at the PUC is that this power will come from a new dam, 500 to 750 MW of generation upgrades at existing dams, and flowage currently being spilled by HQ because it lacks profitable long-term purchase agreements.

Dan Amory, a lifelong environmental leader in Maine, was exactly right when he said in the Portland Press Herald "The project will reduce annual carbon emissions by over 3 million metric tons." The bottom line is that there is absolutely no reason in science or logic to delay the processing of NECEC's DEP application to study its climate impact.

But let's touch on what the powerplant owning-opponents of NECEC are doing. Their objective is to defeat NECEC or delay it as long as they can. Why? Because it lowers every New England consumer's price of electricity by 3 mils per kWh. That's not huge for most consumers but it adds up overall. A 1000 MW powerplant like the SeaBrook nuclear plant would lose as much as \$25 million in revenues each year solely because of those lower sales prices to consumers. That's \$68,000 a day, for just one powerplant out of scores in New England. It's \$3 million a day over all the affected powerplants in New England, or over \$1 billion a year. \$3 million dollars a day could buy a lot of tv ads, social media, letters to the editor and so on. You may have seen the ads attacking Governor Mills recently, sponsored anonymously, of course.

A delay of just a month in NECEC permitting is worth \$90 million in higher revenues to powerplants in New England and, thus will have the reciprocal loss of \$90 million in lower costs to consumers in New England. Maine is 9 percent of all kWh in New England, so delay in NECEC causes \$8.1 million a month in unnecessarily lost savings for Maine electricity consumers alone. That's \$96 million a year extra paid by Maine consumers. It might be called a tax increase to benefit higher cost generators.

And for what? To explore an issue that both common sense and known evidence indicate is not a real issue?

We respectfully ask you to trust in the regulatory processes your own statutes have created. Please do not delay the historic reduction in CO2 emissions NECEC would cause. Please do not delay the rare and meaningful reduction in electricity costs your constituents will enjoy.

Thank you. I would be pleased to answer any questions.