



SIERRA CLUB

MAINE CHAPTER

PO Box 88
Belfast, ME 04915
Phone: (207) 761-5616
www.sierraclub.org/maine

To: Members of the Joint Committee on Committee on Energy, Utilities and
Technology
From: Jacob Stern
Date: January 31, 2023
Re: **Testimony in Opposition to L.D. 69: *An Act to Improve Electrical Supply Cost
Transparency***

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

I am testifying today on behalf of Sierra Club Maine, representing over 22,000 supporters and members statewide. Founded in 1892, Sierra Club is one of our nation's oldest and largest environmental organizations. We work diligently to amplify the power of our 3.8 million members nation-wide as we work towards combating climate change and promoting a just and sustainable economy. To that end, we urge an "ought not to pass" report on L.D. 69: *An Act to Improve Electrical Supply Cost Transparency*.

The legislation before us purports to increase transparency with regard to pricing of electric supply. While Sierra Club broadly supports increasing transparency for consumers, we are concerned that the impact of this legislation would be, if enacted, the exact opposite. As drafted, the legislation would not require utilities to list the percentage of each resource that goes into their electricity mix. Nor would it serve to educate ratepayers on how electricity costs are determined. By providing only a partial lens into energy pricing, this legislation may inadvertently cause ratepayers to make consumer decisions that are neither in the best interest of their wallet or our climate.

The interconnected nature of our New England grid means that energy costs are dependent on a wide range of factors and a simple line-by-line average would hide the important complexity behind those numbers. For example, if suppliers chose to purchase fewer renewables, they would be forced to meet demand by contracting with dirtier, expensive generators. Normally these dirty electricity generating facilities are only needed during periods of peak energy use and are typically the most expensive to operate. In this way, by purchasing renewables, suppliers are keeping prices down. This nuance would be lost in the proposed legislation.

Lastly, this legislation fails to require that utilities disclose other externalities associated with electricity generation. According to a 2013 study, the cost of the health impacts alone from fossil fuel-generated electricity in this country is estimated to be over \$886 billion annually.¹ Any legislation that aims to educate residents about the costs of electricity generation must take into account these secondary costs.

While we would potentially be open to a version of this legislation that considered the aforementioned concerns. However, as written, we urge an “ought not to pass” report on L.D. 69: *An Act to Improve Electrical Supply Cost Transparency*. Thank you for your time.

Sincerely,
Jacob Stern

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Member, Executive Committee
Sierra Club Maine Chapter

¹ Ben Machol and Sarah Rizk, “Economic value of U.S. fossil fuel electricity health impacts,” *Environment International*, vol. 52 (February 2013): 75-80.