



**TESTIMONY OF MICHAEL PETERS
MESSER LLC**

IN SUPPORT OF

**LD 698, AN ACT TO REDUCE THE COST OF ENERGY IN MAINE THROUGH EFFECTIVE USE
OF BRIDGE FUELS AND REDUCTION OF GREENHOUSE GAS EMISSIONS**

**Joint Standing Committee on Energy, Utilities and Technology
March 8, 2023**

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

My name is Mike Peters, and I am a manager of energy for Messer LLC. Messer is a global producer of industrial gases; here in Maine, we have an air separation plant in Kittery which separates air cryogenically to produce liquid oxygen, nitrogen and argon. Customers throughout New England use our products, including hospitals, electronics and semiconductor manufacturers, and customers in the food and beverage, pulp and paper and pharmaceutical industries.

As it is for other industrial energy consumers, electric power is critical to Messer. We are in a highly competitive industry, and our ability to compete is affected by the cost of the electricity we need to operate our facility. We need electricity to be affordable and competitive: electric power costs represent over two-thirds of our variable operating cost, so we do all we can to minimize our power costs, and we highly value the ability to control our load during the monthly peak to minimize our costs for regional transmission service. Because the cost of electricity is crucial to our business, we need our state to act intentionally to cut the cost of electricity to consumers.

Over a decade ago, the Legislature and the PUC determined that expanding natural gas pipeline capacity into New England would support Maine's economic development needs and achieve measurable and sustainable reductions in the emissions of greenhouse gas emissions, but since then state efforts to expand gas pipeline capacity have stalled. Meanwhile, the region continues to rely on carbon-intense oil and even coal to keep the lights on – not for lack of gas, but because pipeline constraints make gas too expensive to burn for power when we really need it. Messer is fully committed to reducing and eventually eliminating and/or offsetting our carbon footprint – in fact we have specific interim targets for 2030 – however we believe Maine, and the rest of the U.S., needs to make a cost-effective transition, rather than a transition at any cost. Frankly, energy intensive users, as well as all electric consumers, need relief from the sharp energy price increases during stretches of cold weather. Fortunately this winter those cold snaps have been relatively short lived. However, besides the strong price volatility caused by natural gas

constraints, we face a much more sustained future impact from the implementation of LD1711 and thus need any means possible to counter that substantial impact.

We already know how to solve this problem. LD 698 would make it official state policy, with the force of law, that the PUC pursue all appropriate avenues to tackle gas pipeline constraints, including working with other states, interstate pipeline operators, pipeline capacity holders and other natural gas stakeholders in New England. This would bring electricity consumers the cost relief we need, it would result in less volatility in natural gas and electric pricing, it would provide for a higher level of energy security for New England, and it would reduce the need to burn significant amounts of higher carbon emitting oil during times of natural gas constraints. Thank you for your consideration of this testimony.