



Testimony in Opposition to LD 2077

January 23, 2024

Senator Lawrence, Representative Zeigler, and Honorable Members of the Energy, Utilities, and Technology Committee;

On behalf of the Maine Real Estate and Development Association (MEREDA), I am submitting the following testimony in opposition to LD 2077, An Act Regarding Customer Costs and the Environmental and Health Effects of Natural Gas. MEREDA believes this bill will increase construction costs and housing affordability at a time when we need to be significantly increasing our rate of housing creation, not putting up barriers to creation.

Specifically, MEREDA is concerned that the proposed legislation would significantly shift costs onto residential developers by disallowing building owners to pass on any costs associated with natural gas. This proposal would put Maine's policy too far in advance of reality. For most Mainers, natural gas is still the cheapest, cleanest fuel that is readily and consistently available to them to ensure their heating needs. Tenants want reliable energy sources at a reasonable rate – something Maine is not able to provide solely through solar or other clean energy sources at this time.

Further, this legislation proposes to disallow a new natural gas company from entering the market. This will drive up costs by decreasing competition and disincentivizing infrastructure and innovation investment. Worse, this provision disregards both the needs and the desires of Mainers, many of whom would save money if they were able to switch to natural gas – many Mainers want natural gas to come to their communities.

The proposed legislation would choose winners and losers not only in the energy market but also in the development and real estate sector. Developers will either be forced to bear the cost of natural gas installation and expansion or move to a far more expensive and less reliable energy source like solar. The availability and pricing of alternative energy sources is not sufficient to meet Mainers needs at their time. As the market continues to move toward desire for cleaner energy sources, those sources are used whenever practical. However, Maine's geography, distance for major metropolitan centers, and climate are all factors in Maine's energy prices. This legislation will do nothing to ease those factors or otherwise subsidize more expensive energy sources.

Given the need to create over 85,000 units of new housing in the next five years, MEREDA believes the legislature should focus on policies that will help accelerate creation to meet that goal – working with, not against, the creators who will get the work done.

Sincerely

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On behalf of Maine Real Estate & Development Association

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