

Maine State Legislature

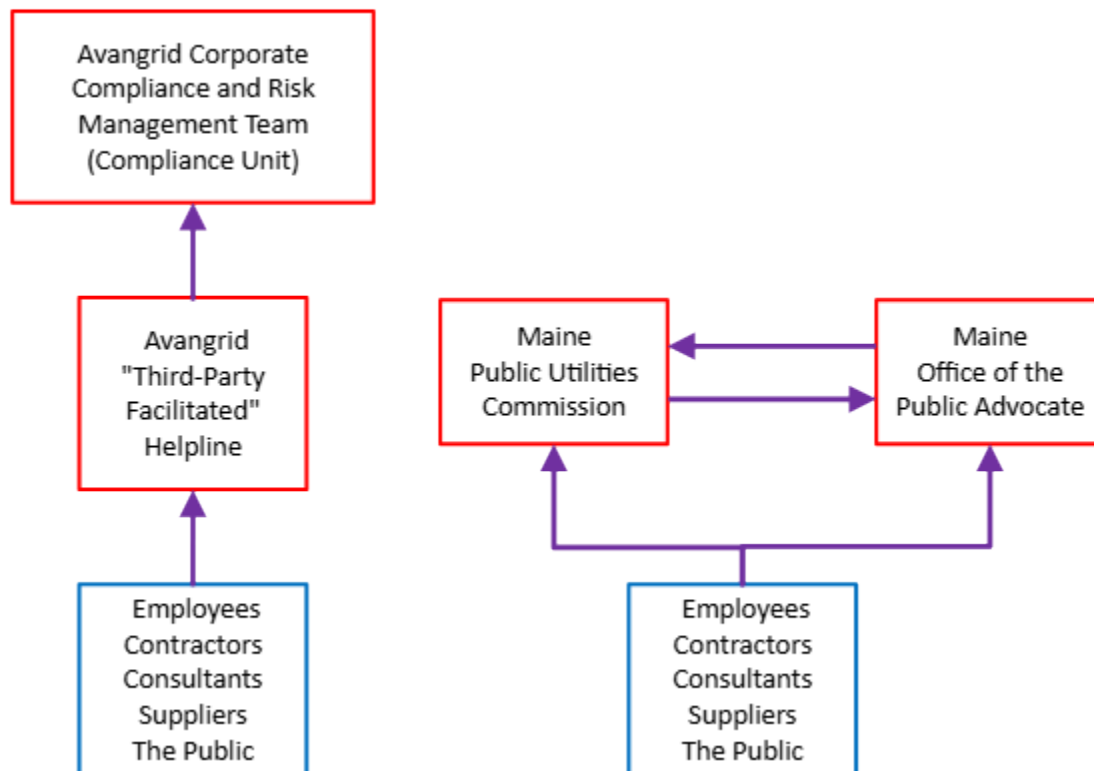
Joint Technical Committee on Energy, Utilities, and Technology

LD 1963: An Act to Protect and Compensate Public Utility Whistleblowers

Written testimony filed June 11, 2025 by Peter Fitzgerald, PE of Bucksport, ME.

Chairs, Representative Sachs and Senator Lawrence, and Members of the Joint Standing Committee on Energy, Utility, and Technology, I am Peter Fitzgerald, and I am testifying **in support of LD 1963**. I am a professional electrical engineer from the town of Bucksport. I have extensive experience working in Maine, this is where I grew up, and I've worked for a number of engineering companies here. A large percentage of the overall electrical engineering work in the state comes from the utilities. This means that, if people speak up about misconduct that they see in an electric utility, they could be putting their business at risk. I have personally seen things that were inefficient and wasteful uses of ratepayer money, and - worse than that - I have seen things that were illegal. There have been whistleblower laws in place, but they haven't been strong enough to give people the confidence that they will be protected. In many cases, people were required to report misconduct to the company performing it, before they could seek help elsewhere. This bill gives people the opportunity to raise issues of ethics and other misconduct of utilities directly to the PUC and/or the OPA.

Which of these would you be more likely to call?



Who is speaking in opposition to LD 1963?

- Avangrid, on behalf of Central Maine Power - Andrew Jacobs, Chief Compliance Officer for Avangrid Networks, Inc.
- Avangrid, on behalf of Avangrid and Central Maine Power - R. Scott Mahoney, Senior Vice President – General Counsel & Corporate Secretary
- Avangrid and CMP, on behalf of Central Maine Power – Carlisle Tuggey, General Counsel
- Versant Power – James Cote
- Very few others

What is Avangrid saying about Professional Engineers in Maine?

Tuggey stated in her 5/21/25 testimony that, “As a general matter, Mr. Fitzgerald’s comments fail to take into account a critical issue with respect to Maine’s electrical grid: that **CMP is tasked with ensuring that its portions of the grid operate safely and reliably. Mr. Fitzgerald and his clients**, on the other hand, **are not** tasked with such work; rather, they are incentivized to interconnect their generation projects in a manner that costs them the least amount of money possible. Indeed, that has been CMP’s experience with Mr. Fitzgerald in his professional capacity—he has pushed for CMP’s standards to be compromised or relaxed with respect to his client’s projects, presumably to save his clients money.” (emphasis added)

I am responsible for grid safety and reliability. According to Maine’s Code of Ethics for Professional Engineers, as a licensed Professional Engineer in the State of Maine, I have accepted the following responsibilities:

“To comply with the purpose of the Act, which is **‘to safeguard life, health and property,’** and to maintain a high standard of integrity and practice, the Board adopts the following Code of Ethics... The Code of Ethics shall be binding on every person holding a license to offer or perform professional engineering services in Maine... Licensees shall be cognizant that their **first and foremost responsibility is to the public welfare.**” (emphasis added)

The substation standard that I referenced in my earlier testimony was revoked by Avangrid. It was not physically buildable, and if it was modified to be physically buildable, it still wouldn’t have been safe to work in the substation. If a substation package was developed, based on this “new standard”, I would not have been able to place my seal on the design. When a professional engineer seals a drawing, they are certifying that it is safe to build and operate.

What is Avangrid saying about me?

Tuggey stated, “As just one example, during one planning call Mr. Fitzgerald continually requested that CMP allow his client to build within an energized CMP substation—something CMP does not allow for obvious reasons.”

What does it mean to “allow his [my] client to build within an energized CMP substation”? This representation makes it sound like I was requesting permission to have unqualified individuals working in energized CMP substations. The truth is, I specifically stated that I wouldn’t expect CMP to allow anyone that they hadn’t pre-approved to work in their substations. Electrical contractors in Maine are working in CMP substations consistently. I requested that I be allowed to coordinate their work to avoid the massive markups that CMP adds for project management and overhead. (These markups have been topics of discussion at the MPUC before.)

I would likely have used the same Maine electrical contractor on the ground as CMP would have used, if they were coordinating it. I and the contractor would both be coordinating with CMP throughout the process. We wouldn’t be doing work that they weren’t already aware of and had already approved. The “obvious reasons” given by Tuggey summarize the company’s response well. They haven’t been able to identify any concerns that were valid. I also raised concern that CMP’s unsubstantiated refusal of my request **appears to be a violation of FERC requirements**.

Tuggey said, “ Similarly absurd are Mr. Fitzgerald’s repeated claims that there ‘wasn’t a way to doing anything about’ the issues he claims to have had with CMP.” CMP is not aware that Mr. Fitzgerald ever reached out to the MPUC, the OPA, or **Avangrid’s** compliance department, which maintains a **24/7 anonymous helpline for ethics** or other complaints.” (emphasis added)

Andrew Jacobs stated, “There is no evidence to support the assumption underlying this bill that people are not reporting information...”

Correct, the reports do not contain any evidence of misconduct that was not reported. That is the point! The reports only contain information that **was** reported. Did I think about calling the Avangrid helpline? Yes, I thought about it, and I decided that it wasn’t worth the risk, because there would be no benefit from doing it. I will also note, that if I had called, Avangrid would still have no record of it, since the helpline is anonymous.

I could say, “None of the words on this page in red type are spelled wrong.” It would be true, but it would also be meaningless. I could also say, “Based on the fact that no words in red type are spelled wrong, I have no reason to believe that any words in red that are added to the page will be spelled wrong.” This would also be meaningless, because a logical correlation on red words cannot be drawn from a dataset of only black words.

Similarly, the absence of people reporting misconduct, when they believe it is likely to negatively affect their employment and families, and when it is not likely to

As I stated earlier, I thought about calling the “Third-Party Facilitated” Helpline, but having a third party answer the phone and then send the information to Avangrid’s corporate risk management team didn’t inspire me to trust the process. I don’t expect anyone else to trust it either. Why would someone report misconduct to the organization performing the misconduct?

Don't take my word for it – this discussion is too important for the people of Maine. Look up the report and read it for yourself. To get you started, here are a number of quotations from the Report with my emphasis added:

- “Avangrid not only follows applicable laws and regulations; it holds itself to the highest ethical standards when working with customers, shareholders, regulators, co-workers, and other stakeholders.”
- **“Avangrid’s Board of Directors (the “Board”) oversees the management of Avangrid and its businesses with a view to enhancing the long-term value of Avangrid for its shareholders.”**
- “Avangrid’s Corporate Compliance and Ethics Program (the “Compliance Program” or the “Program”) serves as a mechanism for establishing a culture of strong ethical standards...”
- “The Program is administered by the Company’s Compliance Division, which is overseen by the Governance and Sustainability Committee of the Board.”
- “In October 2023, Avangrid expanded leadership involvement in its Governance and Sustainability System by establishing a new Compliance Unit, that reports directly to the Governance and Sustainability Committee (“GSC”) of the Board.”
- “The Compliance Unit will include an independent chairperson, the Avangrid Chief Compliance Officer (“Avangrid CCO”), and other members of Avangrid Group management with responsibilities related to **risk management and compliance. The Compliance Unit is responsible for** governance oversight of **ethical matters** including... **managing the Company’s Helpline...**”
- “The GSC... oversight responsibilities include... evaluating and approving the CCO’s annual performance and compensation”

If Avangrid “holds itself to the highest ethical standards” why are they opposing this bill so strongly? Why are ethics and compliance complaints only passed to the GSC through the CCO? I don’t have any issues with Jacobs, specifically, but the events taking place right now are filled with irony. Avangrid structured their complaint process to funnel reports of potential misconduct and ethical issues to the corporate compliance and risk-reduction team. On page 8, the Transparency Report describes conducting “training in key areas of compliance and **ethics risk.**” This isn’t coming from a Human Resources or Public Relations team, this is coming from the corporate team tasked with mitigating risks to protect the corporate bottom line. This team should not be processing reports of ethical concerns or misconduct. The team then passes the information to the GSC through the CCO. This creates a conflict of interest, as the GSC is tasked with “evaluating and approving the CCO’s annual performance and compensation.” As I said before, I don’t have anything against him personally. The irony is that Avangrid placed the CCO in a key position with a serious conflict of interest, and then described it in their Transparency Report. Was this conflict of interest an oversight in their corporate

planning? Or was it planned intentionally to mitigate the threat of “ethics risk” impacting their bottom line? Neither of these options look good, especially when the CCO is submitting testimony in opposition to a law proposed to protect Mainers.

What is industry best practice?

The changes that Avangrid made in 2023 are being portrayed as an setting an example to industry. In his testimony, CCO Jacobs stated, “The company’s compliance program not only meets industry standards but **serves as a model** in the industry. Avangrid has received recognition for seven consecutive years from Ethisphere as a **World’s Most Ethical Company**. Avangrid also has maintained since 2019 Ethisphere’s Compliance Leader Verification recognition, which is awarded after a **rigorous third-party evaluation** of compliance practices.” (emphasis added)

According to the FAQ’s on Ethisphere’s website, worldsmoethicalcompanies.com, they use the following process (emphasis added):

“How are organizations selected?” An organization’s final Ethics Quotient (EQ) score is **evaluated relative to those of its peers within the context of its structure, size, and operating environment**. Those organizations demonstrating the strongest application across our methodology **receive the designation of being one of the World’s Most Ethical Companies**. As applicant organizations come from a variety of industries with significant differences in regulatory and operating environments, the overall EQ score is used to understand an organization’s performance in context of similar organizations, **not to set a floor**. However, reputation and legal issues are carefully evaluated. Receiving a materially deficient score in the category of Leadership and Reputation will prevent an organization from being selected as one of the World’s Most Ethical Companies.”

“Can any organization participate?” The Ethics Quotient questionnaire and peer group is generally **designed for those organizations with over \$250 million in revenue...**

“Please note that while our process has broad eligibility requirements, **non-profit** colleges and universities, governments, governmental agencies, government majority owned organizations, self-regulatory organizations (SROs), and non-governmental organizations (NGOs) **generally are not eligible**.”

Jacobs described a **“rigorous third-party evaluation”**. No matter how detailed the analysis is, the results are only as good as the data going in and the comparisons performed. Ethisphere evaluates applicants, based on their **self-reported** ethics program documentation. Corporations are only **“evaluated relative to those of its peers within the context of its structure, size, and operating environment.”** This means that the data and program documentation submitted by Avangrid was only evaluated against other enormous, world-wide companies. There was no “floor” set,

meaning that whatever major corporations did the best compared to their peers received the WMEC designation. Is this an accurate process for determining who is the most ethical in the world?

WMEC designation increases profits:

Ethisphere markets their program to companies as a way to increase profits. Their website states the following,

- “Earning this title highlights your company’s leadership in ethical business, fostering trust and resilience while strengthening your reputation with customers, employees, and investors.”
- “Ethical leadership isn’t just the right thing to do—it’s a competitive advantage. Companies that prioritize integrity see stronger financial performance, enhanced brand reputation, and long-term resilience. See why being one of the World’s Most Ethical Companies matters for business success.”
- “Over the past 19 years, we’ve tracked the World’s Most Ethical Companies as they outperformed peers and competitors, demonstrating a link between ethical behavior and financial performance. We call this link the Ethics Premium.”
- “Honorees outperformed a comparable index of global companies by 7.8 percentage points from January 2020 to January 2025.”
- Ethisphere charges fees for entry of an application, year-specific logo licensing, joining their Gala, and purchasing trophies.

I have to question, whether it is even legal for Avangrid to advertise to Maine consumers, that they are one of the “World’s Most Ethical Companies”.

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