



Testimony in Qualified Support of Sponsor Amendment to
LD 838, “An Act to Establish the Maine Clean Energy Authority”

January 20, 2026

Senator Lawrence, Representative Sachs, and Committee Members:

As the U.S. energy affordability outlook worsens, the sponsor’s amendment to LD 838 offers needed hope for Maine and the northeast. For this reason, Our Power supports it. That said, the bill may need some fine tuning to deliver savings to ratepayers.

Our Power has advocated for affordable, reliable, locally-controlled power since 2020. We believe more public energy investment is needed urgently, and needed now. Between electrification and data centers, Our Power expects New England demand to hit record highs in New England over the coming decade, even as older, overly expensive resources are retired.¹

At no time in history have the decisions of energy policy leaders like you been more existential. Humanity needs power that is not only affordable and reliable, but also clean – and lots of it. You will need every tool in the toolkit. With minor amendments, this bill can offer an effective new tool that serves workers and ratepayers well, and fully maintains the profits and growth prospects of our investor-owned utilities.

Unlike many other states, Maine has no large public power utilities or authorities, capable of pulling in low-cost investment. Many other states and provinces do, from NYPA to WAPA to Hydro-Quebec, and most are successful in delivering both real savings and excellent jobs. The bill before you could potentially enable access to far less costly capital, and could also give Maine and Mainers more say in meeting our regional energy needs.

LD 838 need not fully replace private investment – instead, it can supplement and complement it. In general, Our Power views private investment as better suited for competitive spaces, where high risk/high reward, free-market mechanisms exist or can be restored. We view public investment as generally best for relatively noncompetitive spaces, where it can offer lower-cost capital and greater public accountability.

¹ As of May 2025, and with inadequate consideration of data centers, ISO-NE projected regional load growth of 21,000 GWh over the next decade. See ISO-NE, *2025–2034 Forecast Report of Capacity, Energy, Loads, and Transmission*.

Having said that, Our Power is not aware of an existing model that allows for significant savings and does not include public ownership. Fundamentally, private ownership requires private equity. As an example, a 2024 study for the Clean Air Task Force and Net Zero California² presented the following paths to savings. All options besides status quo involved public ownership.

Figure 2.2: Allocation of Rights and Responsibilities under Alternative Institutional Models

Functions	Public	Public Private Partnerships			Private
	Corporatized Public Entity	Management Contract	Lease or Affermage Contract	Concession Contract	Divestiture (Privatization)
Who owns the assets?	Public entity	Public entity	Public entity	Public entity	Private Company
What is the private operator's responsibility?	Managing the operating area	Managing the operating area	Providing utility service	Providing utility service	Providing utility service
Who receives the tariff revenue?	Public entity	Public entity	Private company receives part of tariff to cover O&M; Public entity receives part of tariff to cover capital costs	Private Company	Private Company
How is the private operator remunerated?	N/A	Fixed monthly or annual fee + incentive payments	Operating profit	Total profit	Total profit
Which risk does the private operator bear?	N/A	Loss of remuneration	Risk related to operations and/or demand†	Most risk of service provision (operations and investment)	All risk of service provision (operations and investment)
Who employs the staff?	Public entity	Public entity	Private Company	Private Company	Private Company
Who is responsible for capital expenditure?	Public entity	Public entity‡	Public entity‡	Private Company	Private Company
What is the typical term?	Perpetual	2-5 years	10-15 years	15-30 years	Perpetual

Source: Adapted from United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), *A Primer to Public-Private Partnerships in Infrastructure Development* (Bangkok: UNESCAP 2008), <https://www.unescap.org/resources/public-private-partnerships-infrastructure-development-primer>

Notes:

† Demand risk differs between lease and affermage contracts.

Recommendations:

Our Power raises the following questions and suggestions as you consider potential improvements to the draft of LD 838 presented today.

1. **Consult with bond counsel.** Structure is key to ensure access to low-cost capital. We encourage you to consult with the Maine State Treasurer's bond counsel³ to ensure your ability to access tax-exempt revenue bonds, or any other funding vehicle you contemplate.
2. **Initial funding:** The MCEA will require significant staffing and expertise. How will you fund the authority to begin its work?

²netzerocalifornia.org/alternative-financing-and-development-of-transmission-in-california

³ In 2019 and 2021, this committee consulted with the bond counsel, who at the time was Walter St. Onge, Esq. of Locke and Lord, based in Boston.

3. **Investment scope:** At present, ownership of *any* project of the proposed MCEA is prohibited. This would eliminate most chances for savings and jobs. A simple fix is to replace one word in §10503. **Duties.** "...The authority may not own a stake of a project established pursuant to this ~~chapter~~ subsection." This change would keep transmission projects private but allow limited low-cost capital for other energy projects.
4. **Consider NYPA.** The New York Power Authority is one potential model for the from a close neighbor, and is mainly active upstate. We submit additional information on NYPA in a supplement to this testimony.

On the last point, we note a major new initiative New York has undertaken to utilize NYPA's powerful ability to finance projects at lower cost. Specifically, The Build Public Renewables Act (BPRA) was passed in 2023 and represents a significant step towards achieving New York's climate goals. It authorizes the New York Power Authority (NYPA) to plan, construct, and operate renewable energy projects, positioning NYPA as a key player in the state's transition to clean energy. The act is part of New York's broader strategy to generate 70% of its electricity from renewable sources by 2030 and aims for 100% clean energy by 2040. We would also note that fossil fuel or nuclear infrastructure can also be built by most entities like NYPA, with lower costs and (where required) with better labor standards.

To be clear, we would not favor using NYSERDA as a model, since it is more comparable in our view to the existing Efficiency Maine Trust, and EMT could assume functions of NYSERDA relatively easily.

Above all, we caution that without some degree of public ownership, most savings of any public-private partnership will evaporate. This applies equally to distribution, transmission, generation, and storage.

Done right, LD 838 offers hope. Done right, it can make a positive difference and prove the government can work for the people. Our Power urges you to take it seriously, to consider proven models, and to act on it boldly before you adjourn. Our Power is prepared to work with the sponsor and others, including our IOU T&Ds, to explore potential amendments.

I am happy to answer any questions you may have.