Testimony in Opposition to LD 2038:
"An Act to Require Maine Transmission and Distribution Utility Participation in a Regional Transmission Organization"

Senator Lawrence, Representative Sachs, and distinguished members of the Joint Standing Committee on Energy, Utilities and Technology, my name is Montana Towers, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, nonprofit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in opposition to LD 2038, "An Act to Require Maine Transmission and Distribution Utility Participation in a Regional Transmission Organization."

LD 2038 would require Maine's transmission and distribution utilities to participate in a Regional Transmission Organization (RTO). While proponents claim this mandate will improve efficiency and reliability, the bill would instead further entrench centralized control over Maine's energy system, reduce state and local accountability, and expose Maine ratepayers to higher and more volatile electricity costs.

Loss of State and Consumer Control

At its core, LD 2038 is a government mandate that forces utilities, and by extension Maine consumers, into a multi-state regulatory structure largely insulated from Maine voters and policymakers. RTOs are governed by complex bureaucratic processes, stakeholder committees, and federal oversight that dilute the influence of individual states, particularly smaller, rural states like Maine. Regional bodies would increasingly make decisions impacting Maine households and businesses in reponse to political and economic pressures from beyond our borders.

Increased Costs

Participation in an RTO is not cost-free. RTOs impose administrative fees, compliance costs, and infrastructure planning requirements that are ultimately passed on to ratepayers. Rising electricity costs are particularly harmful for Maine because the state already faces some of the highest energy prices in New England. In a state struggling with workforce shortages and sluggish economic growth, policies that risk further increasing electricity prices threaten both household affordability and Maine's long-term economic resilience.

Undermining Market-Based Solutions

Maine Policy Institute has consistently argued that energy affordability and reliability are best achieved through competitive markets, regulatory restraint, and consumer choice, not through compulsory participation in regional bureaucracies.

LD 2038 moves Maine in the opposite direction and replaces market driven solutions with a one-size-fits-all mandate. If RTO participation were truly beneficial for Maine consumers, then utilities would have a strong incentive to pursue it without legislative coercion. The need for a statutory mandate suggests that the benefits are uncertain, while the risks are substantial.

More Bureaucracy is not the Answer

Maine's energy challenges stem from overregulation, restrictive permitting, costly mandates, and policies that discourage investment in reliable, and effective forms of power. Forcing utilities into an RTO does nothing to address these root causes. Instead, it adds another layer of complexity to an already heavily regulated system.

Rather than expanding regulations on this already tightly controlled industry, lawmakers should focus on reforms that lower energy costs directly. This could include streamlining permitting, removing barriers to infrastructure development, encouraging competition, and allowing innovation to emerge from the private sector. Maine has faced some of the fastest growing energy prices in the country, and blaming the private sector for this utility bill inflation is both illogical and baseless. Maine utility providers are not magically more greedy or more willing to overcharge than those in other states. The true difference between us and them is regulatory burden.

Regional Grid Planning and Energy Costs

Recent regional energy modeling reinforces Maine Policy Institute's concern that further centralization of energy planning risks higher costs for ratepayers. A January 2026 report by Always On Energy Research, "Alternatives to New England's Energy Affordability Crisis," finds that region-wide, renewable mandate-driven planning under the ISO-New England framework—particularly approaches reliant on large-scale transmission expansion—dramatically increases electricity costs across New England.[1] The study concludes that these cost increases are driven not by a lack of regional coordination, but by policy mandates that force overbuilding of infrastructure and limit flexibility in resource choices.

[1] https://mainepolicy.org/research/alternatives-to-new-englands-energy-affordability-crisis/

LD 2038 would move Maine further in this high-cost direction by compelling utilities to participate in a RTO and tying Maine ratepayers to regional planning decisions driven largely by the needs and policy goals of other states.

AOER's analysis identifies transmission expansion as a major long-term cost driver under centralized regional planning models—costs that ultimately fall on consumers and are difficult for individual states to control once embedded in regional governance structures. These findings align with MPI's position that energy affordability and reliability are best achieved through market competition, regulatory restraint, and state-level accountability, rather than mandatory participation in distant regional bureaucracies.

Conclusion

LD 2038 represents a significant shift of authority away from Maine citizens and toward regional entities with little accountability to our state. It mandates participation in a system that risks higher costs, reduced flexibility, and diminished local control, all without clear, guaranteed benefits for ratepayers.

For these reasons, Maine Policy Institute strongly urges this committee to vote "Ought Not to Pass" on LD 2038. Thank you for your time and consideration.