Testimony in Opposition to LD 2112:
"An Act to Authorize Municipalities to Form Community Choice Aggregation Programs to Procure Electricity"

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 2112, "An Act to Authorize Municipalities to Form Community Choice Aggregation Programs to Procure Electricity."

This bill proposes to authorize municipalities to form community choice aggregation (CCA) programs to procure electricity on behalf of their residents and businesses, automatically enrolling customers unless they affirmatively opt out. While proponents frame such programs as a way to enhance consumer choice, the reality is quite the opposite. LD 2112 represents yet another government intervention into the energy marketplace that undermines free enterprise, limits consumer autonomy, and introduces new risks for taxpayers and ratepayers alike.

Undermining Market Competition

LD 2112 allows municipalities to use government power to act as centralized energy purchasers. This model distorts Maine's competitive electricity market by inserting political entities as market actors. These political actors benefit from regulatory advantages not available to private competitors. Over time, this undermines price signals and market-driven innovation, replacing them with politically managed schemes.

Maine Policy Institute has long cautioned against policies that tilt the energy sector away from competitive neutrality. Our 2026 report on energy, *Alternatives to New England's Energy Affordability Crisis*, found that when government mandates heavily shape energy markets, the result is steep cost escalation and economic harm to ratepayers.

That same report found that the New England region is facing a potential $815 billion increase in electricity costs through 2050 under a heavily renewable, government-directed grid model, with annual bills potentially doubling from $2,100 to $4,600 per household. These risks for such dramatic increases could compound further if energy purchasing becomes politicized and centralized at the local level.

Fails to Address the Underlying Cause

Instead of creating government-run energy buyers, the Legislature should focus on dismantling the barriers that already exist and drive up costs. Particularly concerning are policies that force overinvestment in unreliable, intermittent sources like wind and solar. The best path to energy affordability is not more bureaucracy but market-driven innovation, transparency, and regulatory reform.

Automatic Consumer Enrollment

Under the bill, government officials would automatically enroll customers in a government managed energy program without their consent. Opt-out frameworks assume agreement where none has been explicitly given and violate the principle of individual choice. True consumer control comes from expanding access to options, not from forcing participation in government programs.

Hidden Cost Shift

LD 2112 also authorizes utilities to recover the costs associated with the purchase of receivables from all customers, even those not participating in municipal aggregation. This is a clear cost-shifting mechanism that forces Mainers to subsidize municipal energy programs regardless of their participation.

Such provisions erode the free market and enable municipal electricity programs to avoid responsibility for their own financial risks. Worse, it embeds these risks in utility rate structures statewide, guaranteeing cost recovery while exposing ratepayers to the consequences of poor municipal decision-making.

MPI firmly opposes policies that socialize risk while privatizing benefit. LD 2112 could create a precedent for ratepayer funded bailouts of government run energy ventures, expanding Maine's affordability crisis and undermining economic fairness.

For these reasons, Maine Policy Institute strongly urges this committee to vote "Ought Not to Pass" on LD 2112. Thank you for your time and consideration.