



Testimony in Opposition to LD 2113:

“An Act to Align Long-range Grid Strategy with the State Energy Plan and Strengthen Integrated Grid Planning”

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 2113, “An Act to Align Long-range Grid Strategy with the State Energy Plan and Strengthen Integrated Grid Planning.”

LD 2113 seeks to dramatically expand state control over Maine’s electric grid by mandating the creation of a “long-range grid plan” every five years and requiring that all future electric utility proposals comply with that plan. This legislation would not only grow the size and scope of government bureaucracy, but would also undermine utility independence, and risk higher electricity costs for Maine families and businesses.

Dangers of Centralized Planning

Under LD 2113, the Department of Energy Resources would create a 10-year roadmap for grid modernization and electrification, enforced by the Public Utilities Commission. This level of top-down planning is fundamentally incompatible with a dynamic, innovative energy market.

History demonstrates that government-directed energy plans often lag behind technological developments, misallocate resources, and entrench politically favored technologies, such as wind and solar, at the expense of cheaper, more reliable and better-performing alternatives. Maine’s energy future should be guided by market forces, not by bureaucratic forecasts or political agendas.

Dangers of Performance Based Regulation

LD 2113 requires the Public Utilities Commission to establish performance based regulatory mechanisms that include financial incentives and penalties tied to certain state created performance metrics.



In practical terms, performance based regulation means that utilities (like Central Maine Power) are judged, and financially rewarded or penalized, based on how well they meet certain performance targets. These targets would include metrics such as:

- Using fewer wires ("nonwires alternatives")
- Spending less capital ("capital-light" investment)
- Reducing long-term costs (future "total cost of service")

These criteria are broad, subjective, and highly dependent on regulatory interpretation. Rather than allowing utilities to pursue the most cost-effective and reliable investments, this framework incentivizes compliance with politically preferred technologies and planning assumptions, regardless of whether they deliver real value to ratepayers.

Climate Policy Should Not Override Affordability and Reliability

LD 2113 further requires Maine's long-range grid planning to align with the state's climate action goals, effectively prioritizing decarbonization mandates over affordability and reliability for ratepayers. Recent analysis suggests the costs to Maine households would be substantial.

According to Maine Policy Institute's new energy report, *Alternatives to New England's Energy Affordability Crisis*, following a renewable-heavy decarbonization pathway would more than double electricity costs for the average Maine household, increasing annual bills from \$2,100 to approximately \$4,610 by 2050.

Climate policy should not come at the expense of Maine families' ability to afford basic services. LD 2113 would lock Maine's energy planning into a rigid set of climate mandates, even if they lead to higher prices and reduced reliability. For many Mainers, especially those on fixed or modest incomes, the kind of increase projected in our energy report is simply unsustainable. LD 2113 pushes the state even further down that costly path, reducing flexibility and making it harder to course correct if prices continue to rise.

For these reasons, Maine Policy Institute strongly urges this committee to vote "Ought Not to Pass" on LD 2113. Thank you for your time and consideration.