

Testimony of Ashley Luszczki
Committee on Energy, Utilities and Technology
L.D. 2038, An Act to Require Maine Transmission and Distribution Utility Participation in
a Regional Transmission Organization
January 22, 2026

Senator Lawrence, Representative Sachs, and members of the Committee on Energy, Utilities and Technology, my name is Ashley Luszczki, and I am providing testimony on behalf of the Maine State Chamber of Commerce, the state's largest business association. While we appreciate the intent to save ratepayers money, we are always cautious about mandates and believe this legislation could put Maine utilities at a competitive disadvantage. For these reasons, we oppose L.D. 2038, *An Act to Require Maine Transmission and Distribution Utility Participation in a Regional Transmission Organization*.

While some decisions are guided by state policy, utilities engage in extensive planning for their networks based on market demand, system needs, and long-term reliability. In Maine, those decisions are subject to oversight of the Public Utilities Commission. Requiring utilities to participate in a regional transmission organization (RTO) by statute would be a significant change in how markets have traditionally been structured through voluntary participation driven by benefits and cost-benefit analysis reviewed by regulators. Mandated participation could reduce utilities' flexibility to pursue the most-cost effective options for their customers.

Furthermore, the mandatory nature of this legislation could place Maine utilities at a financial disadvantage relative to utilities operating in other states. Currently, utilities that voluntarily participate in an RTO are eligible for an added return on equity determined by the Federal Energy Regulatory Commission (FERC). That incentive recognizes the risk of investment. If Maine utilities are mandated to participate in an RTO, they likely would no longer qualify for the FERC incentive. Meanwhile, utilities in other states that voluntarily participate would continue to be eligible for the incentive. Overtime, this could impact utility's ability to attract capital and secure financing necessary for investments in grid reliability and resilience, which the broader business community and Maine ratepayers depend on.

Again, we appreciate the goal of reducing costs, resulting in greater electricity affordability. However, we do not believe achieving this goal through mandates that remove regulatory flexibility and place Maine utilities at a financial disadvantage is the way to do so. We appreciate your consideration to oppose L.D. 2038.