Chair Lawrence, Chair Sachs and Fellow Ratepayers of the EUT Committee

Testimony submissions for LD 307 An Act Regarding Energy, Utilities and Technology is now open online. As LD 307 is a Concept Bill, I am offering an amendment and a new title “A Seriuous Consideration of the Impacts of RGGI on the Electric Market and Customers”

And now the struggle session begins between the State of Maine and the U S Department of Energy, focusing on a program that has failed in purpose and promise of lower electric prices. Created 16 years ago with somewhat moderate rules of engagement, it has grown to be the monster that almost all government programs eventually become. It has been tucked away out of sight, within a state environmental agency, out of the sight of electric customers who feel the pain as it stomps the life out of the electric market that hardly anyone knows exists. This program from hell is the driving force that will be the death of electricity as we know it and needs to be addressed immediately.

For those on this energy panel who believe fossil fuels are the culprit for the high price of electricity, you have a point. Natural gas fuel prices are volatile as ISO-NE has often noted. Natural gas fuels the plants that provide the electricity to meet demand at the base load level, the load following level and the peaking load level proving it to be extremely valuable to ISO-NE grid operators.

When natural gas extraction decoupled from oil extraction years ago, prices also diverged, making naturalgas a perfect fuel to replace oil and coal for electricity generation, for building heating and commercial/industrial processes. The rapid buildout of natural gas-fired electrical generation plants and pipelines in New England during the first years of this century ushered in a new era full of promises for inexpensive electricity.
With thanks to Google AI:

- Central Maine Power (CMP): The standard offer supply price was 4.09 cents per kilowatt-hour (kWh) for the entire year.

- Bangor Hydro-Electric (BHE): The standard offer supply price was 7.3 cents per kWh through most of the year, with a decrease to about 5.0 cents per kWh effective

November 1, 2001.

- "By 2001, the New England region was in a significant transition away from oil and coal-fired generation towards natural gas and nuclear power. Natural gas was rapidly expanding (e.g., increasing from **30% to 64%** in Massachusetts generation between 2001 and 2015)."
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What happened? How did natural gas go from fuel of promise to fuel of disfavor? Why did the costs escalate, especially in New England, while in many regions of the USA it did not?

Why did the US Department of Energy send emergency orders to ISO-NE January 25,2026

WASHINGTON—The U.S. Department of Energy today issued two emergency orders to mitigate blackouts in New England and Texas during Winter Storm Fern. Issued pursuant to Section 202(c) of the Federal Power Act, the orders authorize ISO New England Inc. (ISO-NE) and the Electric Reliability Council of Texas (ERCOT) to
run specified resources located within the ISO-NE region and ERCOT
region, regardless of limits established by environmental permits or state law.

What are the environmental permits the DOE order is referencing? Everyone on this EUT Committee knows what the US DOE has directed their attention on. Now that it is obvious that the US DOE has a complete 180 degree vision of what Maine Energy Policy demands, how far down this road of fossil fuel attacks will Maine proceed? To the end game of achieving net-zero greenhouse gas emissions by 2045?

Title 38: WATERS AND NAVIGATION
Chapter 3-A: CLIMATE CHANGE

§576-A. Greenhouse gas emissions reductions

2-A. Carbon neutrality. Beginning January 1, 2045, net annual greenhouse gas emissions may not exceed zero metric tons.

At what cost is the Maine Government willing to burden electricity customers with this assault on natural gas? The US DOE order directed ISO-NE to order oil-fired plants to fire up and dual purpose natural gas/oil plants to burn oil they had stored on site. Oil Storage has been a plan developed by ISO-NE and the dual purpose plants for several years now. Our electricity of last resort is now dependent on fuel that all the energy groups with all their energy plans want to eradicate. Have you noticed what the "day ahead" energy prices in the ISO-NE wholesale market are during this moderate cold snap?

You can't ignore the problem any longer. The program you signed Maine up for is failing. The emissions you thought this program was going to reduce are accelerating, at a cost that ISO-NE notes is the reason for the current high average price of natural gas production costs, not due to fuel costs;

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Key Takeaways:

Annual average fuel prices remained relatively stable year-over-year in 2024. While natural gas prices were elevated during the winter, they declined across the other seasons due to high national natural gas supplies. In the context of lower gas prices and reduced imports, natural gas generation increased throughout 2024

Carbon allowance costs also made up a larger share of total fossil fuel generation costs compared to prior years, driven by rising prices under the Regional Greenhouse Gas Initiative (RGGI). CO_2 costs represented a significant portion of production costs—ranging from 11% for oil-fired generation to approximately 30% for natural gas generation. CO_2 emissions costs were therefore a notable driver of energy prices; We estimate that carbon programs contributed approximately $8/MWh to the average annual load-weighted energy price and added about $910 million to total energy costs.

RGGI, Regional Greenhouse Gas Initiative includes ten states; Maine, New Hampshire, Massachusetts, Connecticut, Vermont, Rhode Island, New York, Delaware, New Jersey and Maryland.

The last quarterly allowance auction was held December 3, 2025 and sold at a clearing price of $26.73 per allowance, the highest price ever.

The Newly Established Maine Department of Energy Resources disclosed in their "Maine Energy Profile":
" The use of natural gas to produce electricity in Maine more than doubled from roughly 3 million MWh in 2015 to over 6 million MWh in 2024."

RGGI has adopted a new Model Rule to align with State Policies of the ten RGGI States.
The New Model Rule, July 5,2025 Explained:

Key Specifics of the 2025 Model Rule:

- **"Updates to the Regional Base CO2 Allowance Budget (XX-5.1): The updated Model Rule reduces the regional emissions cap in 2027 to 69,806,919 tons of CO2 from 75,717,784 tons** under the previous Model Rule. **Allowances decline by an average of 8,538,789 tons per year, which is approximately 10.5% of the 2025 budget, thereafter through 2033. Then, from 2034 through 2037 the cap will decline by 2,386,204 tons of CO2 annually, which is approximately 3% of the 2025 budget**. Subsequent years are set to match the 2037 emissions cap. No adjustments are made to banked allowances, which continue to be available for compliance Setting the regional cap beyond 2037 will be addressed in the next RGGI Program Review, to begin no later than 2028

THIS IS AN IMMENSE CHANGE THAT WILL INCREASE ALLOWANCE PRICES AND LEAD TO THE EARLY RETIREMENT OF NATURAL GAS PLANTS. THIS IS NOT THE TIME TO KEEP THE COURSE. MAINE PEOPLE ARE SUFFERING WITH ELECTRIC BILLS. YOU MAY THINK NATURAL GAS IS DRIVING THE COSTS OF ELECTRICITY HIGHER, BUT WHAT DO YOU THINK THE PRICE OF ELECTRICITY BE WITHOUT NATURAL GAS PLANTS?

Thank You
Clayton Dan McKay Dixfield