



## **Testimony in Opposition to LD 2140:**

**“An Act to Reduce Household Energy Costs in Response to Federal Cuts”**

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 2140, “An Act to Reduce Household Energy Costs in Response to Federal Cuts.”

### **Costly and Inefficient New Tax Expenditure**

LD 2140 would introduce a broad new refundable tax credit for expenses ranging from home energy audits, to door and window replacements, insulation, and air sealing materials. Refundable credits, those that result in a direct payment even if the taxpayer owes no income tax, function as de facto spending programs administered through the tax code.

Maine Policy Institute has long cautioned against expanding such tax expenditures without meaningful offsets or reform. Instead of simplifying the tax code and reducing overall tax burdens, LD 2140 adds complexity and opens the door to potential abuse, fraud, and misallocation of resources.

### **LD 2140 Picks Winners and Losers in the Energy Market**

This proposal mandates that only products meeting specific federal or Efficiency Maine standards qualify for the credit. In doing so, the bill empowers government agencies and politically influenced programs to determine which businesses and technologies succeed in the marketplace. Maine Policy Institute has consistently opposed this type of centralized industrial favoritism.

By attempting to direct private investment through public incentives, the bill undermines consumer choice and private innovation. Maine families and entrepreneurs, not bureaucrats or regulators, are best equipped to decide which energy-saving investments make sense for their homes and businesses.



## **Better Paths Forward**

Rather than reviving an expired federal program and embedding it in state law, Maine should pursue structural energy reforms. This should include options such as:

- Repealing unnecessary mandates that raise construction and compliance costs for homeowners,
- Streamlining permitting rules for decentralized energy sources, and
- Sunsetting costly energy subsidies, including Efficiency Maine handouts, that skew market signals.

Instead of following these methods, LD 2140 takes Maine in the opposite direction, with more subsidies, more complexity, and more bureaucracy, all while leaving the real cost pressures untouched.

For these reasons, Maine Policy Institute strongly urges this committee to vote “Ought Not to Pass” on LD 2140. Thank you for your time and consideration.