



**Testimony in Support of Sponsor's Amendment
to L.D. 699, An Act to Reduce Future Energy Costs**

March 8, 2023

Senator Lawrence, Representative Zeigler, and members of the Joint Standing Committee on Energy, Utilities and Technology: my name is Seth Berry and I live in Bowdoinham. I am here today as a volunteer, unpaid representative of Our Power.

Our Power is pleased to testify in strong support of the sponsor's amendment to L.D. 699, An Act to Reduce Future Energy Costs. We are grateful to Rep. Geiger for providing us this opportunity.

We are here today for two reasons. First, to share our absolute confidence that by replacing CMP and Versant with a publicly-owned, privately-operated utility, together we can save Maine customers 10% per year, starting in year one, with improved service, and with no use of tax dollars. And second, we are here to ask that you hold us to it.

To listen to ads funded by CMP and Versant's corporate parents, one would think the risks of any transition of this kind are enormous. Taxpayers will be on the hook for thousands. Service will decline, rates will rise, and the sky may even fall.

Most Mainers were not born yesterday. They know a multinational corporation would never spend tens of millions on ads, for the purpose of *saving* its distant and captive customers money. But if the thousands of IOU ads and dozens of IOU lobbyists have given you any doubt, with this bill you can ensure the best outcome for Maine people. Making it law will empower our PUC to protect us from any monster under the bed, real or imagined. Specifically, it will require that any new, large COU with a private operator must bring 10% savings and net benefits with no new taxes, and do it from day one.

Our Public Utilities Commission takes a lot of heat, but we have all seen their ability to call the balls and strikes well, despite complex cases where utility lawyers are paid hundreds per hour by captive customers. Our Power fully trusts them to make this call. As a reminder, our referendum also trusts the PUC to

steward the transition, provides them ample resources to do it, and gives the PUC full ratemaking authority of the kind that today applies only to IOUs.

We are all entitled to our opinions, but not our own facts. Based on conservative assumptions, Maine economists who were not paid by anyone for their opinions have predicted \$9 billion in net savings by replacing CMP and Versant with the Pine Tree Power Company. These economists come from every party: Dr. Richard Silkman is a Republican and advises large industrial energy consumers, while Dr. Richard Woodbury is an Independent and Dr. David Vail is a Democrat. Their prediction amounts to an average net savings of \$375 per customer, per year, starting on day one.

As the London Economics Report indicated, Maine's economic and legal case is far stronger than other jurisdictions that have made or attempted this kind of transition. For example: Unlike Boulder CO, which pressed "pause," or Winter Park FL, which pressed "play" and succeeded on every count, Maine's proposal requires no separation from a larger grid. This alone cuts the cost of a transition in half.

Maine's most rural utility, Eastern Maine Electric Cooperative, maintains 3 ½ times as many miles of line per customer as Central Maine Power, our largest utility. Yet instead of being 3 ½ times as expensive, EMEC delivery rates are 9 cents per kilowatt-hour – the same rate charged by Central Maine Power. How is this? The answer is simple: it does not funnel its revenues to a distant landlord, but returns them to customers or reinvests them in the grid.

The question will be asked: is this a competing measure? We hope not. It applies to *any* new, large consumer-owned utility, and that Our Power does not see its specific content as a substantive deviation from our initiated bill. That said, if you are inclined to move ahead with the bill, we encourage you to seek input from the Attorney General. If uncertain, you always have the option to carry the bill over.

If any new, large utility that is publicly owned and privately operated can *not* save 10%, will *not* improve reliability and customer service, or *does* use tax dollars, Our Power believes it should not be able to start operations. Its board should either sharpen their pencils, or leave the grid to its previous owners. We are confident in our projections of 10% savings, net benefits, and no tax impact, and we ask today that you hold us to it.

By passing this bill today, you can protect your constituents and the people of Maine against any perceived risk, and at the same time open the door to meaningful and lasting benefits.

Thank you. I am happy to try to answer any questions.