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Testimony Neither For Nor Against LD 1830, An Act to Advance Maine's Clean Energy Goals

Chairs Lawrence and Zeigler and honorable members of the Joint Standing Committee on Energy, Utilities and Technology. I am Alf Anderson, Associate Director for Advocacy and Outreach for AARP Maine. AARP is a non-profit, non-partisan social mission organization with more than 200,000 members across the state. We work on a range of energy issues at the state level. The core principles we approach this work with include affordability, reliability, sustainability, and accountability. We support low-income energy assistance programs. We also support coordination of outreach and enrollment in such programs.

AARP Maine offers testimony on this proposal Neither For Nor Against. Our views do not reflect any opposition to the competitive procurement of renewable energy or the policy proposal in this bill to site such facilities on "contaminated land." Our concern is that the language of this bill appears to require the Commission to enter into contracts that must be paid for by distribution ratepayers that may contribute to higher prices for societal goals.

Electricity rates are regressive in nature because lower income and fixed income households must pay a higher percentage of their household income for essential energy and electricity service compared to higher income households. Unlike more progressive income tax policy, funding our renewable energy goals and investments through electricity rates raises serious concerns regarding affordability for a service that is needed to protect the health and safety of older Mainers and other vulnerable residential customers. Overall, we recommend that potentially higher priced contracts that are intended to provide societal benefits be funded through state and federal tax or grant programs.

We also raise concerns about the mandate in Section 3209-C (2) of this bill to purchase renewable energy credits equal to 5% of the retail electricity sales in the State. This objective should be determined by the Commission based on a fact-based analysis of the costs and benefits to Maine's distribution ratepayers. Maine's experience with the costly Net Energy Billing program should give pause to any attempt to mandate contracts and pricing policies without a more judicious and publicly transparent proceeding. Further, so called renewable energy credits may mean no actual new renewable energy generation is being constructed in Maine.

Our reading of this bill raises serious concerns that need further discussion and exploration of the potential impact on Maine's already-too-high electricity rates.

Thank you for the opportunity to provide our views on this important bill. If you have questions for me, I can be reached at aanderson@aarp.org or at 207-330-1147.

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