



**Testimony of Anthony Buxton, Preti Flaherty, Beliveau & Pachios**

**On Behalf of the Industrial Consumer Energy Group**

**Neither for Nor Against**

**LD 1918, An Act to Modernize Maine's Business Incentive Programs by Creating the Dirigo Business Incentives Program and Eliminating Certain Other Tax Incentive Programs**

**Joint Standing Committee on Innovation, Development & Economic Advancement**

**May 19, 2023**

Senator Curry, and Representative Roberts and Members of the Joint Standing Committee on Innovation, Development & Economic Advancement:

Industrial Energy Consumer Group (IECG) testifies neither for nor against LD 1918, LD 1918, An Act to Modernize Maine's Business Incentive Programs by Creating the Dirigo Business Incentives Program and Eliminating Certain Other Tax Incentive Programs. This legislation instead asks you to correct what appears to be an unfortunate oversight in the bill, specifically, the bill would eliminate the ability under Maine law to lower electric rates to an endangered business with the approval of the Public Utilities Commission. Second, the bill would eliminate the ability of businesses you seek to protect from reducing the cost of complying with certain renewable energy requirements. We have provided an amendment to correct these oversights.

These two provisions are the only means by which the State of Maine can assist troubled businesses which are high energy users. I contrast this with the wonderful support the Governor and Legislature have given to all other energy consumers and businesses at this time of the highest energy cost in Maine history. Businesses have not objected to the one-sided nature of that help but would ask that these provisions of law remain in effect as a safety net in an era of extraordinary energy cost.

I Thank you for your time and will answer any questions.

## **An Act to Modernize Maine's Business Incentive Programs by Creating the Dirigo Business Incentives Program and Eliminating Certain Other Tax Incentive Programs**

Be it enacted by the People of the State of Maine as follows:

**Sec. 1. 30-A MRSA §5250-J, sub-§5**, as amended by PL 2021, c. 398, Pt. III, §1, is further amended to read:

**5. Termination and repeal.** A qualified Pine Tree Development Zone business located in a tier 1 location may not be certified under this subchapter after December 31, 2023 2024, and a qualified Pine Tree Development Zone business located in a tier 2 location may not be certified under this subchapter after December 31, 2013. All Pine Tree Development Zone benefits provided under this subchapter are terminated on December 31, 2033 2034. This subchapter is repealed July 1, 2035.

**Sec. 2. 30-A MRSA c. 206, sub-c. 5**, as amended, is repealed.

**Sec. 3. 30-A MRSA c. 206, sub-c. 6**, as amended, is repealed.

**Sec. 4. 35-A MRSA §3210-E, sub-§1**, as enacted by PL 2009, c. 627, §5 and affected by §12, is amended to read:

**1. Discount rates.** Transmission and distribution utilities may offer discounted rates ~~on new incremental electricity usage~~ to qualified Pine Tree Development Zone businesses established under Title 30-A and qualified businesses with respect to the Dirigo business incentives program established under Title 36, section 5219-AAA. If a transmission and distribution utility requires approval prior to offering any such rate, the transmission and distribution utility shall apply to the commission in accordance with applicable provisions of this Title, and the commission may approve the rate if it finds it to be in accord with applicable requirements of this Title, except that the commission may take into account the overall benefits to ratepayers resulting from state efforts to promote economic development within Pine Tree Development Zones.

**5. Electricity sales.** Notwithstanding section 3210, the sale of electricity by a competitive electricity provider to a qualified Pine Tree Development Zone business established under Title 30-A and qualified businesses with respect to the Dirigo business incentives program established under Title 36, section 5219-AAA is exempt from the requirements of that section unless the qualified Pine Tree Development Zone business requests the commission to waive the exemption for the sale of electricity to that Pine Tree Development Zone business.

The commission may adopt routine technical rules, as defined in Title 5, chapter 375, subchapter 2-A, to implement this subsection.

**Sec. 5. 35-A MRSA §3210-E, sub-§6**, as amended by PL 2021, c. 398, Pt. III, §2, is further amended to read:

**6. Repeal.** With respect to qualified Pine Tree Development Zone businesses established under Title 30-A, this section is repealed December 31, 2033 2034.