

**Testimony of Anthony W Buxton, General Counsel, Industrial Energy Consumer  
Group**

**in Opposition to**

**LD 1850, An Act Relating to Energy Storage and the State's Energy Goals  
Before the Joint Standing Committee on Energy, Utilities and Technology**

**May 16, 2023**

Senator Lawrence, Representative Ziegler and Members of the Joint Standing  
Committee on Energy, Utilities and Technology

IECG strongly opposes LD 1850, and the proposed Sponsor's Amendment to An  
Act Relating to Energy Storage and State's Energy Goals

The Amendment would repeal a fundamental principle of electric restructuring,  
the removal of T&D utilities from owning or operating powerplants. There is neither  
need nor any offered justification for this retreat into the past.

Batteries are stored generation. When batteries operate, they are no different  
than generation. The market distortions of generation are no less likely to occur with  
batteries. The evidence this Legislature  
considered in 1997 showed overwhelmingly that utility ownership of generation  
impaired the development of competitive generation markets. This internationally  
observed phenomenon has not changed.

However, since electric deregulation and utility divestiture of generation at the State and Federal levels in the 1990 -2000 period, the cost of competitive generation in these markets has fallen precipitously Solar is available for 3 - 5 cents/kWh, wind for slightly more, competitive gas fired generation has increased nationally because natural gas leaves the ground at a price equal to a twenty cent per gallon cost of gasoline Coal and oil are on the way out In fact, only where utilities still control or own generation do coal and oil still prosper as generation We also note that ownership of batteries by utilities is inherently more expensive than is private ownership There is no benefit from and real harm to utility ownership of generation

There also is no need for utility ratepayers to subsidize batteries Non-utility markets are investing huge amounts in batteries - over \$220 million in 2021 alone China, Europe and Warren Buffett are leading the investment There is no need for ratepayer capital

Batteries are presently non-economic in nearly every grid connected usage Dr Silkman's analyses show no economic value of batteries to ratepayers until at least 2035 Recent trends are discouraging, as battery costs have risen The National Renewable Energy Lab said in 2021 that batteries will be less expensive by 2030 Both suggest waiting for grid scale private battery investment

IECG urges that Maine consumers not be asked to subsidize batteries Maine has better choices

We would be pleased to answer any questions