



January 23, 2024

Honorable Mark Lawrence  
Honorable S. Paige Zeigler  
Joint Legislative Committee on Energy, Utilities and Technology  
100 State House Station  
Augusta, ME 04333

*Re: Testimony in Opposition to LD 2077, An Act Regarding Customer Cost and the Environmental and Health Effects of Natural Gas.*

Dear Senator Lawrence, Representative Zeigler, and Members of the Committee:

Unitil appreciates the opportunity to provide testimony regarding LD 2077. Unitil testifies in opposition to this bill. We hope that our comments add value to a discussion on a complex and pressing topic.

**About Unitil:** Unitil is a natural gas and electric distribution company in Northern New England, serving natural gas customers in Maine as Northern Utilities. Unitil is Maine's largest natural gas distribution company, serving approximately 35,000 customers in the state within the following communities: Auburn, Biddeford, Cape Elizabeth, Cumberland, Eliot, Falmouth, Gorham, Gray, Kennebunk, Kittery, Lewiston, Lisbon, Lisbon Falls, New Gloucester, North Berwick, Old Orchard Beach, Poland, Portland, Saco, Sanford, Scarborough, South Berwick, South Portland, Wells, and Westbrook. Unitil and its predecessors have been serving customers in Maine since 1849.

**LD 2077 Summary:** LD 2077 proposes to prohibit any charge for costs associated with new gas service mains and gas service lines for residential and commercial gas service beginning February 1, 2025. Additionally, the bill provides that, beginning January 1, 2025, the Public Utilities Commission (PUC) may not approve a gas utility

to furnish service or serve customers in a municipality that is outside of the utility's service area on June 30, 2024. Further, beginning January 1, 2025, the bill would prohibit a gas utility from offering or providing a promotional allowance to customers or potential customers. The bill would require the PUC to conduct inquiries related to district geothermal systems and costs associated with gas system expansion and to submit related reports to the Legislature's Energy, Utilities, and Technology Committee. Finally, it would require the Department of Health and Human Services and Maine Center for Disease Control and Prevention, in collaboration with other state entities, to submit a report on indoor air quality and



health impacts of fossil fuel combustion and leakage to several legislative committees.

In more practical terms, this bill would make new gas installations cost-prohibitive, and would ban the expansion of gas service into new communities. Further, it would remove fuel choice for customers, creating potential economic disadvantages for businesses. LD 2077 also would take away a key tool in helping Maine reduce greenhouse gas emissions and meeting the State's ambitious climate goals – natural gas.

**LD 2077 Restricts the Use of Natural Gas in Supporting Maine's Climate Goals:** Restricting the expansion of gas infrastructure is ill-advised, especially when Maine needs all available energy options to ensure an affordable clean energy future. Fuel choice, or the ability for customers to choose how they heat their homes or businesses, is preferred by 87% of Mainers according to a survey undertaken in the spring of 2023. Unfortunately, LD 2077 cuts against what Mainers want — it would take away a heating choice preferred by many. The decision to use natural gas, or another source of energy, to heat homes and businesses should be left to individuals; it should not be forced on them by restrictive legislation.

**Natural gas is a reliable heating option for Maine.** Natural gas is a reliable fuel, especially for those living in Maine and the New England region. It serves as an important heating option for homes and businesses during severe New England weather. Maine is a largely rural state, and as we have seen in recent months, severe weather can cause extended electric service outages. During those outages customers who rely solely on electricity for heating needs will find home energy solutions such as solar arrays, battery storage, or portable generators rapidly depleted, as heating makes up well more than half of a home's total energy needs in the winter. Additionally, approximately 33% of space heating energy from heat pumps require back up space heating, despite the change to cold-climate heat pumps. Moreover, making electricity the sole energy option in the region will require the regional electrical grid capacity to increase by several times its current capacity. Such capacity simply does not yet exist, and the energy needs of all Mainers and families throughout the region must continue to be met reliably with the tools we have at hand.

**Natural gas is an affordable heating option for Mainers.** Unitil is a firm supporter of the State of Maine's climate goals, and we recognize that targeted electrification may be beneficial in reducing emissions. At the same time, we must not lose sight of the fact that for many, natural gas ensures that energy remains affordable. Gas is projected to be as much as 30-50 percent less than the price of other fuels through 2050, and is meaningfully less expensive than some electrification options that exist today. As we navigate this clean energy transition, we must remain mindful of the financial impacts rapid electrification may have on



Mainers, especially those who may already rely on low-income programs to meet basic needs. In many cases, the continued use of natural gas will mitigate economic harm and ensure equal access to energy while additional energy options become available.

**Unitil has upgraded its entire distribution network in Maine.** Natural gas can and should be a critical tool in reducing emissions and helping Maine meet its climate goals, especially given the State's unique reliance on delivered fuels. The State of Maine currently leads the country in the use of delivered fuels, such as oil and propane, to meet heating needs. At the same time, Unitil's natural gas infrastructure in Maine has been fully modernized compared to other states in the northeast, with the last of so called 'leak prone' cast iron and bare steel piping scheduled to be removed from the system later this year. This cast iron replacement project commenced nearly 15 years ago, and when complete, will mean modern pipe infrastructure in every community served by Unitil. By continuing to convert customers near existing, modern gas lines to natural gas, Unitil can help Maine reduce emissions while targeted electrification efforts can be deployed in more rural areas where the benefits are inherently greater. LD 2077 removes this opportunity to work collaboratively with electrification measures to reduce emissions. In the absence of natural gas as an option, Mainers may turn to fuels that are not as clean, leading Maine down the wrong path with regard to meeting its climate goals.

**LD 2077 Stifles Innovative Solutions Allowing Gas Systems to Help Meet Maine's Climate Goals.** This legislation dismisses the idea that gas and gas infrastructure can play an important role in providing decarbonized energy options. Following legislation signed into law in 2023, the Public Utilities Commission (PUC) opened a docket (No. 2023-00302) specifically to study the potential value that renewable natural gas (RNG) can have in serving Maine customers. RNG is considered carbon neutral comes from a variety of feedstocks, and is a biogas that can be upgraded to pipeline quality and used as a drop-in replacement for conventional natural gas. Such active dockets clearly indicate that there is interest in exploring how RNG can contribute to meeting Maine's energy needs and climate goals. This bill would stifle momentum regarding RNG development and may curtail an opportunity to deliver decarbonized energy to residents and businesses in Maine on a macro scale. Today's push toward electrification is built upon the idea that electric service, which currently comes largely from fossil fuels, will successfully transition to renewable energy supply options. These same opportunities exist with gas service.

Additionally, the Maine Climate Council is currently modeling pathways to hybrid heating solutions in the state. These solutions, that would utilize electricity and another fuel, such as natural gas, acknowledge that Maine needs more than one



option in meeting its energy needs. These types of analyses and discussions are critical in ensuring that we find the best, affordable paths forward at the right pace.

**LD 2077 Does Not Consider Additional Pathways of Study Prior to Legislative Action.** This legislation jumps to an actionable conclusion without examining the topic. A vigorous study examining a wide range of areas surrounding Maine's energy needs, its climate goals, natural gas, and the natural gas system should come well before a legislative halt on expansion is considered. Determining the future of gas and gas infrastructure as part of the clean energy transition is an important conversation that Unitil wishes to actively participate in. The best venue to conduct such a study would be through the PUC in order to ensure a robust, thorough, data-driven process that provides all stakeholders the opportunity to be heard and considered, since these impacts will be significant to Maine. Eleven other states have opened proceedings at their Commissions on these types of topics.

**Conclusion:** LD 2077 is a premature attempt to legislate the means of delivering energy before examining the appropriate uses for natural gas and the natural gas system in any clean energy transition. There has been no clear demonstration that natural gas is ineffective or unaffordable for the people of Maine. In fact, natural gas is a key tool to reducing climate emissions. Accordingly, there should be a robust study and a considerable amount of time spent examining the role of natural gas in meeting Maine's climate goals and energy needs.

Please do not hesitate to contact me should you have any questions.

Sincerely,

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