

Testimony of Ashley Luszczki
L.D. 2077, An Act Regarding Customer Costs and the
Environmental and Health Effects of Natural Gas
Energy, Utilities and Technology Committee
January 23, 2024

Senator Lawrence, Representative Zeigler, and members of the committee on Energy, Utilities and Technology: My name is Ashley Luszczki, I reside in Rome, and I am before you today representing the Maine State Chamber of Commerce, a statewide organization consisting of more than 5,000 small and large businesses.

We repeatedly hear in the media and policy conversations that Maine businesses and residents need relief from high energy costs. The Chamber's most recent member survey "Making Maine Work Report" indicated this to be true as respondents ranked "energy" the number two issue behind workforce. While the title may sound good, the policy before you is not the way to address energy costs and it goes against recommendations made in the "Maine Won't Wait" climate action plan.

The Maine State Chamber of Commerce is opposed to L.D. 2077 as it seeks to limit the use of natural gas within the State of Maine, which will make it difficult for energy-intensive businesses, Maine residents and communities by stifling development and consumer choice.

The Public Advocate has raised concerns regarding the ratepayer risk of the investment in additional natural gas infrastructure. To the contrary, natural gas infrastructure has been nothing short of a lifeline to key employers in traditional manufacturing regions of our state and has enabled key investment in Madison, Skowhegan, and Baileyville. Regrettably, this natural gas infrastructure was not in service to provide low-cost energy to midcoast or the Millinocket and East Millinocket region as major manufacturing has closed in those areas because of the cost of energy. We clearly need to thoughtfully plan out a long-term energy transition, but this legislation locks regions and communities from the prosperity that has catalyzed American manufacturing for the last fifteen years.

It's worth noting that by using natural gas, energy-intensive manufacturers in Maine have an edge over international competitors as they can manufacture products in a cleaner way. As an example, one of the Chamber's members (a large manufacturer) has been able to lower its energy costs while reducing carbon emissions by 30%. We need our manufacturers to be successful and attract new business. According to the Maine Association of Manufacturers, manufacturing businesses payroll accounts for 12% of wages paid statewide and the industry realizes over \$6.2 billion in GDP.

Additionally, by failing to enable new clean energy technology, L.D. 2077 will make it difficult for Maine to meet decarbonization requirements. And as previously stated, this legislation contradicts recommendations from the "Maine Won't Wait" plan that states:

Achieving deep emissions reductions in this sector [industrial] by 2050 will likely require significant shifts away from petroleum-based fuels to cleaner alternatives. Some fuel-switching opportunities can be both cost effective and reduce greenhouse gas emissions, such as converting from oil to natural gas and increasing efficiencies through combined heat and power (CHP) technologies.

Another reason for concern is that by prohibiting the cost of new gas mains and service lines from being included in rates, Maine businesses and residents will have to bear infrastructure costs. Again, the Chamber believes this will stifle development and as such, lead to higher construction and housing costs. L.D. 2077 will also eliminate consumer choice by limiting commercial and residential customers' ability to use natural gas. Manufacturers will be impacted as well as Maine residents and hospitality businesses who may prefer to use natural gas appliances.

This legislation would put Maine, a heavily manufacturing-based economy, in a severe competitive disadvantage for new investment while limiting choice. For these reasons, the Maine State Chamber of Commerce encourages the committee to vote Ought Not to Pass.