



MAINE & CO.

131st MAINE LEGISLATURE THE JOINT STANDING COMMITTEE ON ENERGY, UTILITIES, AND TECHNOLOGY

Re: Testimony in Opposition of LD 2077

Senator Lawrence, Representative Zeigler, and distinguished members of the Committee on Energy, Utilities, and Technology, my name is Peter DelGreco, President & CEO of Maine & Co. My organization exists to find growing companies and show them how they can be successful in establishing an operation in Maine. Created during the administration of Governor Angus King, we are a privately funded 501(c)6. We compete with states from the entire country and countries around the world to attract new jobs and investment to Maine. We also work with existing Maine companies, helping them implement their growth plans.

Thank you for the opportunity to share why I strongly oppose LD 2077.

When working with growing and expanding companies, we need to understand the cost structure that companies operate in. Specifically related to manufacturing projects, energy costs are a significant input. When we work with manufacturers on their growth and expansion plans, they ask about “access to natural gas”. Access to natural gas is a key component in the manufacturing sector. Eliminating the development of infrastructure to deliver natural gas will negatively affect Maine’s economy, it’s manufacturing sector, and the people who work those jobs (and the jobs that support that sector).

We have recently seen the direct impacts of what happens when the building of infrastructure is stymied. Many of us watched in sadness as Dragon Cement announced their impending closure, citing lack of access to natural gas as a primary determinant. Adding salt to that wound: a natural gas pipeline had been planned for that area; if Dragon Cement had converted to natural gas, they would have dramatically reduced their emissions. Sadly, protesters preferred to see the company lay off over 60 employees rather than have the company reduce their emissions. The harm does not even stop at the employees who have been displaced. The State and the Town of Thomaston lose significant tax revenue. Businesses that provided goods and services to Dragon and its employees will be negatively impacted. And Maine contractors will lose local access to a material necessary to repair the state’s roads and bridges, driving up costs for construction projects and putting additional strain on the State’s budget.

I encourage this committee to look where natural gas is available today and where it is not. In those areas where it is not available, look at the manufacturers in those regions. Those are the

manufacturers that this legislation puts at direct risk. Look at the importance that those companies have on their communities. What will happen to many of these rural communities if you forbid the manufacturers to invest in their infrastructure and become more efficient? We have seen this story play out in the past. It will be devastating to these communities.

When we are trying to attract new investment to Maine, seeing legislation like this sends the wrong message to those making investment decisions. LD 2077 even makes it more difficult and costly to access existing infrastructure. This is not only bad policy, but also paradoxical. Taking an analytical view, this legislation will actually drive people to solutions that use more carbon intensive alternatives. Natural gas typically displaces higher emitting fuel sources. Companies evaluating Maine for investment will rightly wonder why we are discouraging capital investment while increasing our carbon footprint and costs.

Additionally, many people worked together to come up with a climate action plan for the state, titled, *Maine Won't Wait*. Page 61 of the Governor's plan specifically endorses using natural gas to transition industrial facilities using high CO2 emitting fuels to natural gas. LD 2077 stops that progress dead in its tracks.

The United States Energy Information Administration (EIA) states, "Natural gas has many qualities that make it an efficient, relatively clean burning, and economical energy source." We need to allow investment in this infrastructure if we are serious about reducing our emissions. New technologies are constantly being developed that can make this fuel source even more efficient. As a state, we have seen investments in Renewable Natural Gas (RNG) and biogas. These solutions will move through the pipelines that LD 2077 seeks to prohibit. When you stop investing in infrastructure, you stop investing in innovation. Maine needs more innovation, not less.

For better or worse, I am old enough to remember when governments used to brag about their trucks and vehicles, claiming, "This vehicle runs on clean burning natural gas". It was a progressive signal that policy makers were forward thinking, looking for ways to reduce emissions. This bill is not forward thinking. LD 2077 will end up doing more harm than good.

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