



STATE OF MAINE
PUBLIC UTILITIES COMMISSION

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Testimony of the Maine Public Utilities Commission

Neither For Nor Against

LD 469, An Act to Prioritize State Access to Electricity Generated in Canada via High-impact Electric Transmission Lines

March 11, 2025

Senator Lawrence, Representative Sachs, and Distinguished Members of the Joint Standing Committee on Energy, Utilities, and Technology (Committee), my name is Deirdre Schneider, testifying neither for nor against to LD 469, An Act to Prioritize State Access to Electricity Generated in Canada via High-impact Electric Transmission Lines on behalf of the Public Utilities Commission (Commission).

Local consumption standard

LD 469 establishes a local consumption standard for electricity delivered by a high-impact transmission line and prohibits the Commission from issuing a CPCN for a line delivering electricity generated in Canada to another state if that line does not meet this new standard unless meeting the standard would interfere with the reliability of the grid or a regional energy agreement necessary for energy security in Maine. It also prohibits the operation of a high-impact transmission line after December 31, 2026, that does not meet the local consumption standard when the electricity is delivered from Canada through the State.

This requirement would be administratively burdensome and challenging to implement. Maine is part of a regional grid, meaning all states are connected and power flow does not just end at state borders. Electrons that are generated at a facility are transmitted through the transmission system and travel towards the nearest available load. This would mean that even if a transmission line was constructed in Maine for the sole purpose of moving electricity from Canada pursuant to a contract with another state, much (and maybe all) of that electricity would likely be consumed in Maine as the flow of that electricity would be to the closest point in the electrical grid where electricity is being used. Therefore, incorporating a local consumption standard into Commission decision-making and requiring quarterly reporting by utilities to the Commission to show compliance with this standard may be an exercise in futility.

It is important to note that a transmission line that connects electricity from Canada to the region has benefits to Maine, even if contracted for by another state. The influx of additional energy into the region would likely lead to price suppression for supply, enhance reliability, and bring other economic benefits to the state. In short, Maine gets all the benefits associated with that transmission without assuming all the risks related to energy and transmission contracts.

Utility and CEP Reporting- Economic Development

LD 469 also requires all transmission and distribution utilities and competitive electricity providers (CEPs) to submit a report to the Commission describing their efforts to collaborate with state and local economic development agencies to encourage the expansion of businesses in the State or relocation of businesses to Maine, and the report must include any specific actions taken or considered by the utility or CEP, including incentives to reduce electricity costs. The Commission has no regulatory authority over the rates charged by CEPs and the utilities cannot implement a special rate without Commission approval. A special rate contract can be proposed to attract businesses or keep businesses in Maine, but that contract is subject to review by the Commission to ensure that the contract will not negatively impact ratepayers. LD 469, as drafted, appears to assume that the utilities can unilaterally propose incentives without approval.

Commission Reporting

Lastly, LD 469 has multiple reporting requirements for the Commission, including a report that requires recommendations for ways in which the cost of electricity may be reduced to increase electricity consumption in the State and recommendations to ensure the local consumption standard is met. It is unclear if this reporting requirement applies to all components of electricity rates or simply supply rates. Either way, the Commission does not have regulatory oversight of all rate components and where we do have oversight, we continuously work to minimize rate impacts, while balancing the need for investments in our distribution system.

The Commission appreciates the intent of this bill to ensure that Maine is receiving benefits from infrastructure constructed in the State, that actions are taken to keep our businesses and attract new businesses, and that there are considerations around how to make electricity more affordable. However, it is unclear if those goals will be achieved through the mechanisms proposed in LD 469.

I would be happy to answer any questions or provide additional information for the work session.