



MAINE STATE LEGISLATURE

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April 16, 2025 - Testimony in support of LD 1358:

"An Act to Reduce Electricity Rates by Removing Limitations on the Ownership of Generation by an Affiliate of an Investor-Owned Transmission and Distribution Utility"

Good afternoon, Senator Lawrence, Representative Sachs, and members of the Joint Standing Committee On Energy, Utilities and Technology, I'm Representative Billy Bob Faulkingham, and I serve as the House Republican Leader. I represent House District 12, which includes the towns of Franklin, Gouldsboro, Hancock, Sorrento, Sullivan, Winter Harbor, and Steuben. I'm here today to speak on behalf of hardworking Maine families and businesses who are struggling with sky-high electricity rates. Our energy system is broken, and LD 1358 - "An Act to Reduce Electricity Rates by Removing Limitations on the Ownership of Generation by an Affiliate of an Investor-Owned Transmission and Distribution Utility" offers us a chance to fix it.

The restructuring of Maine's electricity market hasn't worked as planned. It was supposed to lower rates, but instead, costs have soared, and our energy market is more unstable than ever. LD 1358 seeks to amend current law by permitting an affiliate of an investor-owned transmission and distribution utility that owns generation or generation-related assets to interconnect to their affiliated utility's grid. It also makes such affiliates eligible to participate in the long-term contracts that the PUC introduces. Allowing these affiliates to participate in the market, while ensuring that there are appropriate safeguards to protect ratepayers provides a pathway for potential cost reductions and enhanced energy market competition in the state of Maine.

It makes no sense to prohibit a company from participating in Maine's electricity market because of their affiliation with the local investor-owned utility and Maine is the only state in the country to do so. The prohibition arose from a fear of favoritism or self-dealing back in 2000 when Maine passed the Restructuring Act. The Federal Energy Regulatory Commission (FERC) has robust protections in place to address such concerns, as does ISO-NE, the independent system operator that ensures least cost energy is dispatched in a fair and impartial way.

By allowing affiliates to participate more fully in the market, Maine's energy system will be more competitive. This increased competition can drive innovation, efficiency, and lower prices, helping Maine keep pace with other regions in the transition to cleaner, more affordable energy.

I recognize that concerns about protecting ratepayers from potential conflicts of interest and undue market power are legitimate. That is why the bill includes provisions that ensure that the Public Utilities Commission (PUC) will establish standards of conduct that ensure that the transmission and distribution utility's affiliate does not engage in practices that would favor one generator over another, harm competition, or harm the interests of ratepayers. Any actions taken by affiliates that could affect rates or competition will be subject to stringent oversight by the PUC, ensuring that there are no unfair advantages or harm to consumers.

In conclusion, Maine's electricity rates have skyrocketed in the wake of the Restructuring Act, leaving many families and businesses struggling with some of the highest energy costs in the nation. LD 1358 offers a reasonable, balanced approach to reducing those costs and bringing Maine's energy market into the 21st century. By removing the limitations on the ownership of generation by an affiliate of an investor-owned transmission and distribution utility, we can provide ratepayers the benefit of lower costs, more local generation, and increased competition. This bill represents an opportunity to correct the unforeseen mistakes of deregulation and build a more sustainable, affordable energy future for Maine.

I urge the members of this committee to support LD 1358 and take a significant step toward providing much needed relief to Maine's electricity customers. Thank you for your time and consideration. I am happy to answer any questions you may have.

Respectfully,

A handwritten signature in cursive script that reads "Billy Bob Faulkingham". The signature is written in black ink and is positioned below the word "Respectfully,".

Rep. Billy Bob Faulkingham
House Republican Leader