

**Testimony of Industrial Energy Consumer Group
In Opposition to
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*, and
LD 1592, *An Act to Reduce Energy Costs by Permitting the Ownership of Generation by
Investor-owned Transmission and Distribution Utilities*
Before the Joint Standing Committee on Energy, Utilities and Technology
April 16, 2025**

Senator Lawrence, Representative Sachs, members of the Joint Standing Committee on Energy, Utilities and Technology; I am Tony Buxton, an attorney with the law firm of Preti Flaherty, here today to provide testimony on behalf of Industrial Energy Consumer Group (IECG) in opposition to 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*, and LD 1592, *An Act to Reduce Energy Costs by Permitting the Ownership of Generation by Investor-owned Transmission and Distribution Utilities*. As you know, IECG is an association of large energy consumers in Maine that advocates at the state, regional and federal level for rapid and efficient climate mitigation while assuring reliability and low costs for all consumers.

IECG today testifies against these bills and therefore against the concept of utility or utility affiliate ownership or operation of generation within the service territory of the utility. IECG does not oppose utility affiliate ownership outside the utility service territory and direct interconnection.

IECG's opposition is based on its members' painful experiences with utility preference for utility-owned generation. IECG concludes from this that utility ownership of generation:

- Will raise costs for ratepayers by impairing competition, not lower costs.
- Is unnecessary, as there is no shortage of generation developers in Maine and New England.
- Is extremely difficult, if not impossible, to regulate, as the Commission determined in 1996.
- Runs contrary to the natural competitive instinct of utility employees to root for, and help, the home team.
- Runs contrary to the natural competitive instinct of private developers to seek a special deal with the utility in every competitive circumstance.

IECG offers you these specific examples of utility preferences for its own or affiliated generation and will provide greater detail upon request:

- In 2011, the Commission approved Emera's (the predecessor to Versant) joint venture with large wind developer First Wind, despite clear evidence Emera subsidized transmission to benefit First Wind, shut out First Wind's competitors and destroyed hundreds of executive emails of these relationships that would have revealed an improper preference for First Wind. The Maine Supreme Judicial Court invalidated the approval.

- During electric restructuring, CMP sold its generation to Florida Power and Light. CMP was allowed to keep the profits, some \$800 million, by the Commission. To sweeten the sale, however, CMP attempted to give the buyer the preferred rights of grid access over all other generators. IECG challenged this and won.
- During the first years of PURPA (in the 1980s), CMP formed a joint venture with an owner of a large hydroelectric dam, and negotiated a power sales agreement that was, and would still be, the most expensive power purchase agreement in Maine history.

Put more simply, the electric grid is a monopoly. Maine cannot allow the same entity to control grid access and to compete for that access.

IECG also has concluded that affiliates of Maine utilities should be allowed to interconnect from outside the utility service territory and sell power under power contracts. All offshore wind projects, for example, will be in federal waters, not in an affiliated utility service territory. Any interconnections will be high voltage and determined by ISO-New England. IECG would be pleased to support any necessary change to Maine statutes to allow this.

We would be happy to answer any questions.