

Testimony of Huhtamaki

In support of L.D. 1792, *An Act Regarding the Energy Policy of the State*

Before the Joint Standing Committee on Energy, Utilities & Technology

May 15, 2025

Senator Lawrence, Representative Sachs and members of the Joint Standing Committee on Energy, Utilities & Technology; my name is Paul Serbent, and I am here today on behalf of Huhtamaki and our manufacturing facilities in Waterville and Fairfield. I am here today in support of L.D. 1792, *An Act Regarding the Energy Policy of the State*. Specifically, we are urging the advancement of the provisions in the Stipulation filed in the PUC Docket Number 2024-00137 on January 24, 2025.

The Maine Huhtamaki facility has been in operation for over 100 years. We employ over 500 employees, many who are the third or fourth generation of their families to work at the facility in well paid union jobs. We produce molded fiber school lunch trays, food preparation trays, drink carriers, and Chinex® plates for a wide range of customers including food service and health care facilities, grocery stores and retail outlets. A feature of our products is they are made from recycled and renewable materials.

At Huhtamaki, we not only support product and environmental stewardship, but we also have corporate initiatives to improve and maintain our performance in these areas. Our ambition is to achieve **carbon neutral production** and use **100% renewable electricity** by 2030.

The rate design that the PUC intends to impose is unfair to energy consuming manufacturers large and small. Transmission and Sub-Transmission level customers such as Huhtamaki are forced to pay elevated amounts based on their higher electricity usage. It is telling that this usage-based component was less or non-existent for the other rate classes. This is a huge change by the Commission.

I'd just like to point out that in 2023, the Commission adopted a rate design in pursuit of beneficial electrification, only to completely change course just two years later. So, manufacturers that submitted bids under the old rate design would now be in the wrong under the new and wildly different rate design. The variability of the Commission on its rate design over just the last two years is a clear hindrance to Maine's manufacturers.

This substantial increase in electricity costs impedes our ability to pursue beneficial electrification projects that will reduce or eliminate fossil fuel use. We are considering such projects in reliance on beneficial electrification. Beyond that this hurts our ability to compete in

the marketplace against less environmentally friendly substrates such as polystyrene foam and plastic, and other competitors that manufacture in states with lower energy costs.

I urge you to advance through legislation the principles of the Stipulation that were fairly developed with thorough stakeholder input. Thank you for the opportunity to provide testimony and I am glad to take any questions and provide answers at the work session.