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Testimony of Rep. Chris Kessler introducing

LD 2037, An Act to Update the Regional Greenhouse Gas Initiative Allowances

Before the Joint Standing Committee on Environment and Natural Resources

Senator Tepler, Representative Doudera, and members of the Joint Standing Committee on Environment and Natural Resources, my name is Chris Kessler and I represent House District 121, which includes parts of South Portland and Cape Elizabeth. I'm here today to introduce **LD 2037, An Act to Update the Regional Greenhouse Gas Initiative Allowances**.

The legislation before you today is a renewed commitment to the first ever market-based carbon cap-and-trade program in the United States, known as the Regional Greenhouse Gas Initiative (RGGI). Since 2009, RGGI has resulted in a 50% reduction of power plant emissions across 10 participating states throughout the Northeast and mid-Atlantic. The proceeds Maine receives for our participation is a crucial funding source for Efficiency Maine, which is arguably one of the most impactful energy efficiency programs in the country. For every dollar we get, Efficiency Maine saves us \$3 more with things like our nationally recognized heat pump and weatherization programs. As a result, Maine homes and businesses will save billions of dollars over the lifetime of those improvements, and we are growing a clean energy job sector that is now nearly 16,000 strong and growing at twice the rate of Maine's economy. It is a good investment that creates meaningful well-paying jobs, saves us money and increases our energy security.

The bill makes Maine conform with RGGI's Third Program Review, which accelerates carbon reductions from power plants over the next 10 years by 10.5% per year starting in 2027. This acceleration is needed because of our significant dependence on natural gas for baseload power, which still fuels about 50% of the regional grid. The reductions will send the market signals that move money towards investments in new clean energy, energy storage and demand management projects. Some argue that continued participation will raise electricity prices at a time where we already pay some of the highest prices in the country; I would argue that we don't really have a choice. If we don't participate, we will still pay the baked-in costs of the program but get none of the benefits. And as long as we remain dependent on natural gas and heating oil, Maine's economy will continue to be exposed to the price shocks caused by foreign wars and profiteers.

Thank you for your consideration. I am happy to answer any questions.