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LD 1498 - An Act To Prevent Increased Heating Fuel, Natural Gas, Gasoline and Diesel Fuel Pricing in Maine by Prohibiting Adoption of Rules Limiting Greenhouse Gas Emissions

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Committee on Environment and Natural Resources – May 3, 2021

Honorable Committee Chairs Senator Brenner & Representative Tucker and Members of the Environment and Natural Resources Committee. Thank you for the opportunity to submit testimony on *LD 1498 – An Act To Prevent Increased Heating Fuel, Natural Gas, Gasoline and Diesel Fuel Pricing in Maine by Prohibiting Adoption of Rules Limiting Greenhouse Gas Emissions*.

Acadia Center is a non-profit, research and advocacy organization incorporated in Maine and committed to advancing the clean energy future by offering real-world solutions to the climate crisis. Acadia Center tackles complex problems, identifies clear recommendations for reforms, and advocates to create significant change that supports a low-carbon economy across the Northeast which can then be a model for application elsewhere. Acadia Center identifies regional, state, and local improvements that will dramatically reduce carbon pollution and improve quality of life throughout the Northeastern United States. Acadia Center strongly opposes LD 1498.

Acadia Center Opposes LD 1498

The Committee should reject LD 1498 as the bill takes us backwards, is likely detrimental to Maine's economy, and is harmful to Maine's ability to protect itself against the climate crisis. Climate change is the largest economic and environmental threat to humanity. With increases in the number and severity of storms, rising sea levels, droughts, and other calamities, any efforts to delay or prevent action are counterproductive. The Mills Administration and the Maine Legislature have worked to confront the extreme impacts of climate change on Maine's coastal communities, public health, fishing and marine industries, forests, and low-income and other vulnerable populations through the 2019 Climate Statute and 2020 Climate Action Plan processes. The Climate Action Plan lays out many strategies to mitigate greenhouse gas (GHG) emissions from the buildings, electricity, and transportation sectors to improve public health, benefit energy and transportation consumers, and reduce pollution while creating jobs. It represents the most significant and comprehensive effort to map out the actions that are needed to reduce climate pollution and create new jobs as part of the transition to a clean energy economy. It sets out strategies based on scientific assessments of the reduction levels needed to help guard our economy, people, and environment from severe impacts of climate change. Maine cannot wait for implementation of this Plan. But LD 1498 would result in just that – delay and added process and expense, with no benefits to Mainers.

In a state where the home energy burden for low-income households is high at 19%, we need to ensure that State entities can move quickly to help low-income customers and enhance programs to benefit hard-to-reach communities, including rural parts of the state. This includes doing more to alleviate energy burdens, such as enhancing energy efficiency programs to help low-income residents manage energy costs and promote customer equity and electrifying homes and small businesses. A robust rulemaking process and access to regional partnerships

will also help achieve economies of scale and benefit the overall energy system as well by reducing ratepayer costs and environmental impacts of energy use. LD 1498 would make helping these customers get off oil even harder, leaving low-income households and small businesses vulnerable to oil pricing shocks and global market volatility.

LD 1498 makes any rules adopted by the Board of Environmental Protection, Department of Environmental Protection, and the Department of Transportation to limit greenhouse gas emissions *major substantive rules*. It prohibits the adoption of rules that 1) limit the amount of heating fuel, natural gas, gasoline or diesel fuel sold to meet GHG emissions limits, 2) imposes a tax or permitting fee to reduce GHG emissions, including as part of a rebate or dividend program, or 3) causes the State to join a multistate consortium that requires the State to implement either of those policies as a condition of membership. It also requires that a proposal limiting the sale of gasoline or diesel fuel to limit GHG emissions or imposing a tax or permitting fee to reduce GHG emissions or joining a multistate consortium must be approved by the Legislature.

Essentially, the bill serves to delay any climate action by making it a substantive rule subject to legislative approval. The bill makes any executive/agency action that raises the price of fossil fuels in the short term – including heating oil, gas, propane – something that needs to be approved by the Legislature. In doing so, it subjects future Mainers to the significant impacts of the climate crisis and escalating costs of last-minute climate mitigation and encourages inaction on climate solutions.

Maine law requires that economy-wide emissions must be reduced 45% below 1990 levels by 2030 – these reductions can come from any sector, but only the transportation sector’s emissions have *climbed* since 1990, to comprise 54% of Maine’s CO₂ emissions in 2019. By imposing a requirement that the legislature individually approve any mechanism that might regulate the GHG emissions from the transportation sector, LD 1498 at best imposes unnecessary delay and at worst, takes away the ability of state agencies to follow the Climate Action Plan or use their discretion to employ the most cost-effective and consumer-friendly methods of achieving these carbon targets.

Why make fighting the climate crisis and developing solutions to benefit Mainers even harder? Why make it more difficult to meet the climate statutory requirements through long-term investments and less expensive options? Why waste time and money developing a climate action plan designed to implement proven programs to reduce emissions in the transportation, buildings, and electricity sectors and not implement quickly? Some of the most effective climate, energy, and transportation initiatives are regional agreements and initiatives. The collective unity of several states joined together to combat a mutual problem, such as reducing carbon emissions and energy and transportation costs while providing long-term investment, is often the most economical, efficient, and equitable approach to climate and transportation solutions. With increasing global and national action to combat climate change and state action to achieve economic, energy, environmental, equity, and transportation benefits for Maine, now is not the time to throw up more roadblocks to sound, beneficial climate and transportation solutions. Why should Maine wait when the world is moving forward? It shouldn’t. This committee must reject LD 1498.

Acadia Center looks forward to working with the Committee to ensure that there are limited roadblocks to fulfil the goals and targets in the Maine Climate Action Plan.

For more information:

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