



**Testimony in Support of 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](#)”**

Senator Brenner, Representative Tucker, and the distinguished members of the Committee on Environment and Natural Resources, my name is Nick Murray and I serve as policy analyst for Maine Policy Institute, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to testify on LD 1498.

This bill would do much to protect low-income Mainers, especially those living in rural areas, from unilateral executive branch policy making to raise the price of critical transportation and home heating fuels. Since low-income Mainers spent a greater share of their income on home heating fuel costs, they're the ones most impacted by cost increases, not the wealthy.

LD 1498 is vital since it would realign rulemaking of this sort as “major substantive” instead of “routine technical” rules, requiring a greater amount of legislative and public scrutiny. This is sorely needed since these rules will undoubtedly contribute to higher costs for all Maine residents and visitors.

With increased legislative oversight, Maine workers, business owners, and families living on the financial margins will know that state bureaucrats will not be easily able to “break their will” through dramatically higher fuel costs, as former Massachusetts undersecretary for climate change, David Ismay described in a February video conference.<sup>1</sup>

Many bills of this sort have come up this session, largely due to uncertainty around the Mills administration’s plans to enter Maine into the Transportation and Climate Initiative (TCI), a northeast regional “cap-and-invest” program that would establish artificial limits on transportation-related carbon emissions across the region. TCI fees are planned to be used to support electric vehicles and public transportation across the region, but will not be used to fill current transportation fund shortfalls to shore up vital infrastructure like roads and bridges.<sup>2</sup>

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<sup>1</sup> [Charlie Baker climate official blasted for comments to 'break your will' over emissions](#) | The Boston Herald, February 5, 2021

<sup>2</sup> [Maine panel recommends hiking road funding, but punts on long-term shortfall fix](#) | Bangor Daily News, March 3, 2020

To be clear, Maine Policy opposes any increases on Mainer's fuel costs, whether via to-the-letter tax increases or roundabout tax increases like those contained in TCI. To solve this funding disparity, and to ensure the funding of critical infrastructure before projects, we recommend that this legislature pass LD 1162 to dedicate a portion of sales tax revenue from the sales of motor vehicles and related parts to the Highway Fund.<sup>3</sup>

David Stevenson, the director of the Center for Energy and Environmental Policy at the Caesar Rodney Institute, estimates that, at 17 cents per gallon, the new gas tax contained within the TCI would cost \$225 per family per year, generate \$56 billion in revenue between 2022 and 2032, and save approximately 16 million tons of carbon dioxide emissions per year. In terms of climate impact, the TCI would lead to a reduction of global temperatures by about one one-thousandth of a degree by 2100; an outrageously costly endeavor for such meager results.<sup>4</sup>

Considering how much public money is projected to be spent or borrowed, either on the state or federal level, to develop and subsidize electric vehicle infrastructure, the TCI is clearly unnecessary. Lawmakers should pledge to the people of Maine that they will not drastically reduce their purchasing power in a time of economic and social uncertainty. LD 1498 is crucial to ensure that taxpayers and ratepayers are protected from the executive branch imposing a plan like the TCI on Mainer's without legislative approval.

If our goal is to get to as close to net-zero emissions as possible, a group headed by Ernest Moniz, former Secretary of Energy in the Obama administration, released a report last November which crunched the numbers. It estimated that the New England grid would need to triple its energy generation capacity in order to keep up with the 60-90% expected growth in electricity demand as much of the economy shifts to low- or no-emission energy sources. Even then, this would deliver 80-90% lower emissions by the year 2050, for a grid which "is already less carbon-intensive than much of the rest of the country."<sup>5</sup>

The report also emphasizes that the grid will need to embrace development in natural gas infrastructure, a low-carbon fuel, or incur costs of nearly \$20 billion more to achieve the same emissions goals by 2050. Unfortunately, ideas like the TCI will knee-cap those crucial options to bridge the gap to a carbon-neutral future.

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<sup>3</sup> [LD 1162, 130th Maine Legislature](#)

<sup>4</sup> [Gas tax coming, and it won't be used to repair highways](#) | The Maine Wire, January 5, 2020

<sup>5</sup> [Net Zero New England](#) | Energy and Environmental Economics and the Energy Futures Initiative, November 2020

There are other impediments in Maine law which keep the state from contributing to lower emissions targets, like the Renewable Portfolio Standards (RPS) regulations which cap certain renewable energy projects utilizing technology like tidal, hydroelectric, biomass, and geothermal energy generation, at 100 megawatts. Hurdles like this should first be cleared in order to make the region a more inviting area to invest in the next phase of power generation before economically-destructive, broad-based tax-and-spend policies are enacted in this pursuit.

Please deem LD 1498 "Ought To Pass" and protect low-income and rural Mainers from policies that will "turn the screws" on everyday travelers and workers in our state. Thank you for your time and consideration.