



SIERRA CLUB

MAINE CHAPTER

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To: Committee on Environment and Natural Resources

From: Patricia Rubert-Nason, Sierra Club Maine

Date: May 1, 2021

Re: **Testimony in Opposition to 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**

Chairman Brenner, Chairman Tucker and Members of the Joint Committee on Environment and Natural Resources. My name is Patricia Rubert-Nason, and I write on behalf of Sierra Club and the over 20,000 members and supporters in Maine. Founded in 1892, Sierra Club is one of our nation's oldest and largest environmental organizations. We work diligently to amplify the power of our 3.8 million members nation-wide as we defend everyone's right to a healthy world. LD 1498 has a worthwhile goal of protecting Maine families from high fuel prices, but it goes too far and presents excessive barriers to decarbonizing our economy.

I live in Fort Kent where the weather is cold, the winter is long and it is a long drive to almost everywhere, so I totally understand the concern about increasing the already significant burden that fuel prices places on Maine families. Containing the cost of fuel is a real concern, but so is climate change. Climate change presents an existential risk to our lifestyle and livelihood in Maine. Maine has committed to doing its part to mitigate the global climate crisis by reducing emissions by 45% by 2030 and 80% by 2050. Doing so will require us to move forward with new regulations around greenhouse gas emissions.

Over 75% of emissions in Maine are attributable to the combustion of fossil fuels in the residential, commercial and transportation sectors.¹ As such, any realistic plan to reduce greenhouse gas emissions in Maine must include a significant focus on reducing the consumption of heating fuel, natural gas, gasoline and diesel fuel in the state. Some, but not all, approaches to reducing these emissions will raise costs.

Making all rules promulgated under Sec. 1. 38 MRSA §576-A major substantive rules is overly broad. While there are legitimate concerns about particular rules that could have a large impact on costs for Maine households, not every rule targeting greenhouse gas

¹ Eighth Biennial Report on Progress toward Greenhouse Gas Reduction Goals
<https://www.maine.gov/dep/news/news.html?id=1988154>

emissions fits into that category. Forcing the legislature to review every rule put forward under this section will present a significant and unnecessary burden to both the agencies and the legislature and will slow down our progress.

We also do not believe it is appropriate to bar the board, the department or the Department of Transportation from issuing any rules that would raise the cost of fuels as described in sub-§5 points A, B, C and D. This would essentially bar the adoption of any market-based mechanisms for reducing emissions. We do not believe this would be wise. Market-based mechanisms can be effective and economically efficient. In fact, many economists believe that they are the least expensive way to reduce emissions.

The Sierra club believes in the importance of both emissions reductions and equity. Accordingly, we hold that any carbon pricing mechanism must both be focused on measurable emissions reductions and must integrate environmental and economic justice principles. Furthermore, it should be part of a broader policy program to achieve the fastest and fairest move away from fossil fuels while also addressing broader societal goals.²

Market based mechanisms can be regressive, but they don't have to be. The impact depends on how the revenue is used. For instance, it can be returned back to households or used to help those same households reduce their energy costs through efficiency. Done correctly, this can offset the regressive effect of the fee, but the details do matter and good program design is crucial.

While we do not support barring all regulation which would raise the cost of fuels, nor making all regulation under climate rules major substantive regulation, we would support making regulation which raises the cost of fuels (as described in sub-§5 A, B, C and D) major substantive regulation. The impacts on Maine families of increased fuel costs are real and we do believe that it is appropriate for the legislature to weigh in on the details for these types of regulations.

We urge the committee to vote Ought-Not-to-Pass for LD 1498.

Respectfully,
Patricia Rubert-Nason
Legislative Team Volunteer

² <https://www.sierraclub.org/sites/www.sierraclub.org/files/CarbonPricingGuidance.pdf>