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Chairman Lawrence, Chairman Berry and Members of the Energy, Utilities and Technology Committee,

My name is Barry Hobbins and I am the Public Advocate with the Office of the Public Advocate and I am here today to testify neither for nor against LD 1634 “An Act To Create the Maine Generation Authority.”

This bill is a relatively large initiative and difficult to digest so late in the session. On the one hand, state ownership of electric generation would bring the State’s lower cost of capital to the development of renewable generation. Studies indicate this would theoretically lower the cost of the energy produced and could thereby assist in meeting the state’s climate change goals in a more cost-effective manner while not putting a significant financial burden on the Maine ratepayer.

On the other hand, the state and federal governments have made a public policy decision to allow competition in the electric generation industry, and this approach would arguably be contradictory to that policy decision. While the current policy approach is designed to foster a free market, renewable developers do frequently require long term government contracts to construct their projects. A consequence of this bill is that it undercuts the competitive distributed energy market, which is currently extremely robust. It could be argued this legislation would place the state as a competitor in that market. This would be a major policy change. If there is interest from the committee, the OPA would advise potentially amending this bill to a resolve and designate it for further study.

It is the opinion of the Office of the Public Advocate that this bill may go too far. One of the intended purposes of deregulation was to keep ratepayers protected from potentially poor decision making by transmission and distribution entities. This bill would put them back on the hook, despite the lower surcharge, but this time through a state run entity.

Thank you for your time, attention and consideration of this testimony. The Office of the Public Advocate looks forward to working with the Committee on LD 1634, and will be present at the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,



Barry J. Hobbins
Public Advocate