

May 20, 2021

To: Members of the Maine Committee on Energy, Utilities, and Technology
From: Americans for Tax Reform

Re: Oppose LD 1708/HP 1269

Dear Chairmen Lawrence & Berry,

On behalf of Americans for Tax Reform (ATR) and our supporters across Maine, **I urge you to oppose and vote NO on LD 1708/HP 1269, legislation that would impose a state-mandated transfer of ownership of two utility companies, Central Maine Power and Versant, to a legislatively created non-profit company called Pine Tree Power Co.**

Enactment of LD 1708/HP 1269 would likely lead to higher bills for ratepayers and reduced tax revenue for state coffers. [According to analysis from London Economics International](#), ratepayers would not be guaranteed lower electricity prices, better reliability, or lower management costs if the state were to force an ownership transfer of CMP and Versant.

Currently, ratepayers and investors share the operational and financial risks with privately-owned utilities. However, if LD 1708/HP 1269 is passed, ratepayers in Maine would assume all the operational and financial risk. The forced ownership transfer of CMP and Versant is likely to become an expensive undertaking that will hurt Mainers in the long-run.

According to [a report by the American Public Power Association](#), there are only five public utilities in the United States that serve more than 800,000 customers, which is approximately how many people would be served by the non-profit proposed by LD 1708/HP 1269. **LD 1708/HP 1269 would make Maine home to one of the largest “consumer-owned” utilities in the country.** The largest public utility, the Puerto Rico Electric Power Authority, serves 1.4 million people on the entire island. After hurricanes Maria and Irma caused long-term power blackouts in 2017, it became clear that the publicly-owned utility was not suited to serve such a large area and legislators have proposed privatizing the utility. [Concentric Energy Advisors](#) released research that found that out of the 60 communities who have considered or are still considering government takeover of privately-owned utilities since 2000, only nine actually municipalized and two sold assets back to the privately-owned utility due to large operating expenses and losses.

Forcing the transfer of ownership of two utility companies from private ownership to a legislatively created non-profit entity will likely beget higher utility bills and less reliable service for your constituents. **ATR strongly opposes LD 1708/HP 1269 and urges you to vote NO.** I thank you for your service in these challenging times. If I or ATR can be of assistance, please contact me or Patrick Gleason, ATR’s Vice President of State Affairs, pgleason@atr.org.

Sincerely,



Grover G. Norquist
President, Americans for Tax Reform

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202) 785-0266

F: (202) 785-0261

www.atr.org