

Re: LD 1708, An Act To Create the Pine Tree Power Company, a Nonprofit Utility, To Deliver Lower Rates, Reliability and Local Control for Maine Energy Independence

My name is Quincy Hentzel, and I am the CEO of the Portland Regional Chamber of Commerce, which is a regional business organization made up of 1300 members in the Greater Portland area. I would like to provide written comments in opposition to LD 1708

This is the second time in two years that a bill has come forward proposing to take over CMP and Versant Power. Two years ago, we opposed similar legislation, and we oppose this legislation as well.

Our members consistently list energy and energy costs as a top policy priority for their businesses. Of higher importance is having a level of certainty and predictability over policies and regulations that will impact day to day operations of our businesses and organizations across the region. This proposal under consideration would alter our current system of an investor owned transmission and distribution utility model to a publicly owned utility, with little detail as to how this new entity will work. Supporters promise reduced rates for Maine consumers, but there are strong indications that these benefits will not materialize for years, if they occur at all. Moreover, given the magnitude of this issue, mere assertion of lower rates is not enough. These assertions must be tested and may still remain unknown for years. The Maine PUC's own consultants cautioned last year that Maine would not know the true cost of taking over CMP and Versant Power until many years into the process, and in the meantime, Maine customers would be directly paying for any litigation, consultants, and government employees working on the takeover. That will raise rates for all of us for many years. We also need to thoroughly understand whether this new entity governed by elected officials has the expertise to operationalize this undertaking and what the impact will be to the public. In our opinion, the risks outweigh any potential benefits and raise serious questions for those trying to predict costs in the future.

Furthermore, the impact to the state's revenue would be substantial. CMP and Versant Power contribute tens of millions of dollars to the State General Fund, and if these revenues are removed, our members may have to make up the difference. Locally, CMP is a major property taxpayer, and although the bill calls for payments in lieu of taxes, if this promise is later changed, there will be a dire impact on our municipalities.

With a policy matter change of this level of significance, we ask that you not take action until there is a full understanding of the facts as well as the implications and outcomes of such an undertaking. Only then should action be taken, whether it is to directly adopt the legislation, or send it to the voters. To take either step without this information would not be responsible.

Thank you for the opportunity to provide our comments on this proposal – should you have any questions I can be reached at qhentzel@portlandregion.com or 207-772-2811.