

Good afternoon Senator Lawrence, Representative Berry, and members of the Committee,

My name is Wayne Jortner and I'm here to testify in strong support of LD 1708. My view is based upon my 23 years of experience in utility regulation in Maine where my sole focus was the welfare of Maine's utility customers – essential all Maine people. I filed more complete written testimony, and others will testify more specifically about the financial advantages of a COU's access to lower capital costs and the immediate savings from turning off the spigot of profits that flow largely to foreign investors and foreign governments. My chief focus here is to point out huge potential efficiency gains from a structural change that aligns the incentives of electric utility governance with the welfare of Maine people.

Any suggestion that LD 1708 represents a government takeover of private enterprise perpetuates a myth. Our current Investor owned electric utilities are monopolies that don't operate in a free market subject to the discipline of competition. And, there is no government ownership whatsoever proposed in this bill. Rather, it takes control of our essential electric utility resources that are already largely run by government policies via PUC and FERC regulation and by foreign government shareholders. The problem inherent in our current system of regulating private monopolies is that it's far less efficient than what could be achieved with a consumer-owned model. The PUC's legislative mandate is to "balance the interests of shareholders and ratepayers". So, by law, the potential welfare to the people of Maine is vastly diluted by policies that equally look after the profits of the foreign government owners of Central Maine Power and Versant. The current system is replete with inefficiency, perverse incentives and power imbalances. Here, we have the opportunity entirely circumvent the inefficiencies caused by the misalignment of the incentives inherent government's attempt to regulate large and powerful international corporations – incentives that are mostly driven by their primary interest is profits, which takes the place of things like lower rates, investments in the grid to enhance reliability, and the pursuit of environmentally sustainable policies that benefit all of us. A COU aligns the incentives of utility managers with the welfare of customers and all Maine residents.

For those reasons, I enthusiastically request that the Committee vote ought to pass, or at a minimum, take action to put this issue in the hands of Maine's citizens via a referendum ballot.