

May 20, 2021

Joint Standing Committee on
Energy, Utilities, and Technology

Re: Testimony of Michael Kebede, Esq., in Support of 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

Senator Lawrence, Representative Berry and distinguished members of the Joint Standing Committee on Energy, Utilities and Technology, greetings. My name is Michael Kebede and I am a resident of Portland, Maine. I frequently appear before legislative committees as Policy Counsel for the American Civil Liberties Union of Maine, but this testimony reflects my own views and not the views of my employer. For the reasons listed below, I urge you to vote that this crucial bill *ought to pass*.

First, compared with every other state, Maine's electricity is at the more expensive end of the spectrum. The Energy Information Administration (EIA), a non-partisan arm of the federal government dedicated to collecting and analyzing information on energy and utilities, found that Maine's residential electricity prices are the tenth highest in the nation.¹

Second, high electric bills have recently plagued many low-income Mainers. A client of my previous employer, Maine Equal Justice, saw her electricity bill for a single month rise by hundreds of dollars from the previous year. Two years ago, more than 600 electricity consumers sued CMP alleging that it charged almost 100,000 customers 50% more than they owed in electricity bills.² According to that lawsuit, the lead plaintiff saw his family's heating bill rise by more than \$1,000 from the previous year.³

Third, public power is generally cheaper and more reliable than private power. According to the non-partisan EIA, municipal utilities usually offer cheaper residential electricity than

¹ U.S. Energy Information Administration, State Electricity Profiles, (Nov. 20, 2020), <https://www.eia.gov/electricity/state/> (last visited May 20, 2021).

² Lori Valigra, *Class-action lawsuit bid against CMP for high bills stalls until at least October*, BANGOR DAILY NEWS, Mar. 21, 2019, <https://bangordailynews.com/2019/03/21/business/class-action-lawsuit-bidagainst-cmp-for-high-bills-stalls-until-at-least-october/>.

³ See *Levesque v. CMP*, Complaint at 2, available at <https://cloudup.com/iiPILporN13>. See generally Lori Valigra, *Class Action Lawsuit Bid Against CMP For High Bills Stalls Until At Least October*, BANGOR DAILY NEWS, Mar. 21, 2019, <https://bangordailynews.com/2019/03/21/business/class-action-lawsuit-bid-against-cmpfor-high-bills-stalls-until-at-least-october/>.

private ones.⁴ Findings by advocacy organizations and information from advocacy organizations in Massachusetts and New York confirm this.⁵ The fact that consumer-owned utilities do not earn a profit helps keep their rates down.⁶ Rather than rewarding shareholders, they can make capital investments, or return savings to ratepayers. LD 1708 promises to lower rates for the average low-income consumer.

Fourth and finally, this bill would strengthen our democracy by reducing living costs for the most marginalized people in Maine. The low-wealth and low-income families that high electricity costs hurt the most are led predominantly by women, especially women of color. They are low-income and low-wealth because of interrelated inequities that are inscribed along lines of gender, race, and other immutable characteristics. Lower electricity costs will free disadvantaged families to better participate in our democracy; time these families currently spend toiling and surviving could be spent caring for elders and children, planting gardens, and flourishing in still other ways. If the past year of protest has taught us anything, let it be this: we all have responsibility to do something about our highly unequal society. This bill would mark a major step toward justice and freedom for ordinary people.

This bill will provide much needed relief to struggling families. It will help ordinary Mainers thrive. I urge you to vote *ought to pass*. Thank you for your time and attention.

Sincerely,



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⁴ Diane Cardwell, Cities Weigh Taking Over From Private Utilities, N. Y. TIMES, Mar. 13, 2013, at B1, <https://www.nytimes.com/2013/03/14/business/energy-environment/cities-weigh-taking-electricitybusiness-from-private-utilities.html>.

⁵ According to the Massachusetts Alliance for Municipal Electric Choice, government-owned utilities on average employ more linemen per 10,000 customers than the private companies. *See id.* The American Public Power Association has found that “Homes powered by public power utilities pay nearly 15 percent less than homes powered by private utilities.” American Public Power Association, Public Power, <https://www.publicpower.org/public-power> (last visited May 20, 2019).

⁶ Josh Keefe, How Central Maine Power Failed Its Customers And Still Increased Profits, BANGOR DAILY NEWS, May 1, 2019, <https://bangordailynews.com/2019/05/01/mainefocus/how-central-maine-powerfailed- its-customers-and-still-increased-profits-2/>.