

Testimony of
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Energy, Utilities & Technology Committee
LD 1708 Public Hearing
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Consumer Owned Utilities serve approximately 49 million people (1 in 3 Americans) in over 2,000 cities and towns nationwide and in 5 U.S. territories

Here in Maine, we are mostly small systems – ranging from Isle of Haut with about 130 customers to Eastern Maine Electric Co-Op (EMEC) with just under 13,000. Houlton Electric provides Sewer and Water service as well. Madison Electric Works (MEW) built its own transmission line to serve Backyard Farms. Madison also constructed a small solar array at the Town’s Industrial Park. In 2016, MEW signed a 25-year power supply agreement with IGS that built a solar array in town that will serve approximately 20% of the Town’s total needs. In 2014, Kennebunk Light & Power District installed two solar powered EV charging stations to help boost the tourist economy as well as to serve residents. The arrays produce all the electricity needed for the charging stations. The surplus energy produced goes back into the local distribution system, saving their customers money. In 2017, KLPD signed a 20-year purchase agreement to buy solar power from a new solar array built by NextEra Energy and located in Kennebunk. Houlton and EMEC provide reliable power and expedient service to their

customers living in some of the least populated counties in the state. EMEC's territory is larger than the State of Rhode Island.

Every COU is owned by its customers and dedicated to serving them and them alone. There are no shareholders that are guaranteed a return on their investment. Our Boards are elected by the people, and members serve terms of varying lengths on a rotating basis. Unlike CMP or Versant, all meetings of consumer owned utilities are open to the public and welcome public input; all records are public too. COU's are transparent, dedicated to putting the customers' needs first by providing reliable power at the best possible cost.

Why is this related to LD 1708 and why am I sharing this information? Throughout the course of working on LD 1708 you will be told that consumer owned utilities do not have the expertise needed to run systems as large as Versant and CMP. We anticipate that you will be told our "business model" doesn't work. You will certainly be told that LD 1708 is a government takeover of a utility and is therefore bad for the State. This brief overview of the consumer owned utilities in the state is meant to demonstrate that we do have expertise, experience, depth, and a proven track record of knowing how to run a utility no matter the size. As proposed in the bill, Pine Tree Power will be separate from the state, just like all our existing COUs. It will float its own bonds at extremely low interest, with no need for profit. It will not use state bonds or state tax dollars.

There are 78 COU's in the 6 New England states that are members of the Northeast Public Power Association (NEPPA).

Through this nationally recognized organization, we have resources available to us for education, training of staff, training on substations, metering, transmission, and much more. In fact, one of very own Mainers was the Director Safety and Training for NEPPA and thus all its 78 New England members, recently retiring after over 10 years of nationally recognized service.

The American Public Power Association (APPA) is the voice of not-for-profit, community owned utilities. This organization provides advocacy and advice on electricity policy, technology, trends, training, and operations. APPA is another tool available to COU's so even the smallest of systems has access to the latest technology and training.

Let's look at just a couple of consumer owned utilities in Massachusetts. Reading Municipal Light serves approximately 70,000 customers, 1/3 residential with commercial, industrial, and municipal customers making up the balance. They are the largest of the 41 Massachusetts systems regarding electrical load. Their website states they have transformed from a reactive to a proactive entity to ensure efficiency, safety, and reliability. Reading recently developed a community solar program for its customers to meet the growing demand for renewable energy resources. They have a stated goal: Be Efficient, Get Greener, Go Paperless.

Braintree Electric just south of Reading installed a hybrid fiber cable to offer high speed internet. This opportunity expanded into phone service to meet the needs of the people they serve.

Braintree Electric owns a solar farm, a gas fired generation plant, and a small transmission system.

Shrewsbury Massachusetts is served by SELCO (Shrewsbury Electric Light and Cable Operations). They too started out as an electricity provider, then expanded into cable television, high speed internet and lastly added phone service to their menu of services.

These are just 3 of the 41 consumer owned utilities in Massachusetts. I believe they represent a depth of expertise, leadership, and most importantly the willingness and ability to respond to and meet their customer needs.

Burlington Electric in Vermont is no doubt the greenest of the COU's offering rebates on electric lawn mowers, leaf blowers, vehicles, bikes and more as well as having green stimulus programs. Burlington is one of the 6 cities or towns in the U. S. that have met their net zero goal ahead of schedule and they are all served by Consumer Owned Utilities'.

Then we can cross the country to learn about Sacramento Municipal Utility District the 6th largest of the COU's in the country with 645,000 customers serving 1.5 million people. SMUD's annual budget for 202 was \$1.8 billion dollars. SMUD has 2179 employees. Sacramento is involved in innovative partnerships that strengthen the community they serve. SMUD lists competitive rates, access to credit markets, reliability, ethics, and customer relations as some of its core values. LD 1708 will bring these same core values to Maine.

I share all this to say the talent, the ability, the knowledge, the resources all exist in the COU business model – large or small – we are not country bumpkins. We are Maine Maritime graduates, Yale graduates, engineers, attorneys, and even if we came up through the ranks, we are leaders in our field who understand that customer satisfaction and service is the number one reason we exist – that all leads to better reliability and lower costs because that is what the people need and want. We are here to serve, not to make a profit.

Please vote LD 1708 as Ought to Pass, give the residents of this State, your constituents, the right to choose Pine Tree Power Company to provide the best cost, most reliable, locally controlled utility.

Respectfully submitted:

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