



Edison Electric  
INSTITUTE

*Power by Association™*

**Testimony before the Energy, Utilities and Technology Committee  
Brad Viator  
Edison Electric Institute  
May 20, 2021**

**Re: L.D. 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 honorable members of the Energy, Utilities and Technology Committee,

My name is Brad Viator, Vice President of External Affairs at the Edison Electric Institute (EEI). I am testifying in opposition to L.D. 1708, An Act to Create the Pine Tree Power Company. EEI appreciates the opportunity to testify about this proposed legislation, which claims that, if passed, it would ensure that Mainers have an energy company that provides “reliable, affordable electric transmission and distribution services and to help the State meet its climate, energy and connectivity goals in the most rapid and affordable manner possible.” While EEI agrees with the level of service customers in Maine should receive, we fundamentally disagree with the approach this bill proposes.

EEI is the association that represents all U.S. investor-owned electric companies. Our members provide electricity for more than 220 million Americans and operate in all 50 states as well as the District of Columbia. EEI’s members include Central Maine Power (CMP) and Versant Power. Collectively, the electric power industry supports more than 7 million jobs in communities across the United States. EEI’s member companies deliver safe, reliable, affordable, and increasingly clean electricity that powers the economy, preserves our health, and enhances the lives of all Americans.

EEI’s members are committed to providing their customers with the electricity services they desire at rates that are reasonable and equitable. In addition, both CMP and Versant – like all investor-owned electric companies – are committed to getting the energy they provide as clean as they can as fast as they can, without compromising the reliability and affordability that customers value. In fact, investor-owned electric companies are leaders in clean energy development across the nation. The industry as a whole (including state and city-owned utilities) have reduced carbon dioxide emissions 40 percent below 2005 levels as of the end of 2020. In fact, the power sector emissions are at their lowest levels in 40 years. Investor-owned electric companies are committed to making progress; in fact, CMP’s parent company, AVANGRID, has pledged to be 100 percent carbon neutral by 2035. As a preliminary matter, then, investor-owned electric companies, like those that

serve Maine customers, are aligned with the climate goals set forth in this proposed legislation.

With greater access to capital at more competitive rates, investor-owned electric companies are investing more than \$110 billion each year to make the energy grid stronger, smarter, cleaner, more dynamic, and more secure. These investments help them to integrate more renewable energy faster, add more electric vehicle (EV) charging infrastructure, support industrial and transportation electrification, expand access to broadband, improve reliability, strengthen the energy grid, and support ongoing innovations.

The reason I am here today, however, is not to go through a list of all the accomplishments, customer service programs, charitable contributions, and other benefits of investor-owned electric utilities (because there would be too many to list); instead, I am here to talk about something much more important – the future of electricity for the customers in Maine.

If passed, this proposed legislation would not only jeopardize invaluable customer support programs, but it could also negatively impact clean energy development, reduce customer protections, and raise customer bills. Moreover, the London Economics study clearly established that a state takeover of investor-owned utilities would cost customers **billions of dollars with no guarantee of improved service**.

If Maine’s lawmakers decide to forge ahead with a government takeover of CMP and Versant Power, thus creating a government-run and government-controlled utility, Mainers would be forced to invest in a long, slow, risky, and complex proposition that would cost customers billions of dollars with no guarantee of success or tangible benefits in the near-term. In fact, the same London Economics analysis of a similar bill, L.D. 1646, found that a government takeover **would result in higher bills** for Mainers, with no guarantee of cleaner energy, better service, or improved reliability. Because it is completely funded by customers, rather than shareholders, in addition to higher bills, a government-controlled utility could potentially expose Mainers to more vulnerability and a lack of ongoing financial stability in the case of a widespread, unforeseen natural event.<sup>1</sup>

While L.D. 1646 and L.D. 1708 are different, they are not different enough to change the conclusions of the London Economics study referenced above. L.D. 1708 will likely be supported by proponents, who will assert that it does not suffer from some of the same deficiencies as L.D. 1646, what remains true is the following: L.D. 1708 is essentially a list of lofty promises and goals without any backing or analysis to show how all the commitments in this bill will realistically be achieved. I’ve always heard that “if something is too good to be true, it probably is.” L.D. 1708 is no exception.

Rather than a government takeover, which can only guarantee billions of dollars in costs to customers, the advancement of Maine’s energy goals, including those listed in the bill,

---

<sup>1</sup> See, e.g., *Texas Power Firm Hit With \$2.1 Billion Bill Files for Bankruptcy*, Mar. 1, 2021, available at: <https://www.bloomberg.com/news/articles/2021-03-01/a-texas-power-firm-files-for-bankruptcy-after-historic-outages>

would best be achieved through ongoing positive dialogue between the companies, policymakers, and the Maine Public Utilities Commission. Active and thoughtful collaboration among these groups would lead to an improved customer experience much faster than any change in ownership structure, especially as contemplated by proposed L.D. 1708.

Thank you for the opportunity to provide public comment on this vital issue. EEI looks forward to working with the Committee and other interested stakeholders as you continue to examine how Maine can achieve its climate, energy, and connectivity goals in the fastest and most affordable way possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B. Viator', written in a cursive style.

Brad Viator  
Vice President, External Affairs  
Edison Electric Institute  
701 Pennsylvania Ave., N.W.  
Washington, D.C. 20004