

May 20, 2021

Committee on Energy, Utilities, and Technology
c/o Legislative Information Office
100 State House Station
Augusta, ME 04333

Senator Lawrence, Representative Berry, and distinguished members of the committee,

My name is Vaughan Woodruff. I am here today as a resident of Maine and as a residential and commercial customer of CMP to testify in favor of LD 1708.

I'm going to set aside the critical role our electrical infrastructure will play in our role to combat the climate crisis, that the six communities in the U.S. that have achieved 100% renewable electricity are served by consumer-owned utilities, and that detailed analyses estimate that we will need to spend 3.5 times our current spending for transmission and distribution.¹

I'll also set aside the 10-12% return that our investor-owned utilities has the opportunity to receive for capital expenditures and the cost of having external shareholders at the table as Maine makes these investments in its electrical infrastructure over the next 30 years.

Let's set aside that the performance of our investor-owned utilities have contributed to Maine consistently having the least reliable electrical infrastructure of any state in the country.^{2,3} I'm also going to set aside that CMP has been consistently rated as the least popular utility in the country^{4,5,6,7,8} and that it scored lower with its customers than an electrical utility in California that pled guilty to killing its ratepayers.⁹

Instead, I want to recognize the pattern of influence of our investor-owned utilities across Maine's government and its contribution to the circumstances we now face. The structures that we have created

¹ *A New Energy Policy Direction for Maine, A Pathway to a Zero-Carbon Economy by 2020*, May 2019; Silkman, Richard

² U.S. Energy Information Administration, <https://www.eia.gov/todayinenergy/detail.php?id=43915#:~:text=Since%20EIA%20began%20collecting%20reliability,when%20major%20events%20are%20excluded>.

³ U.S. Energy Information Administration, <https://www.eia.gov/todayinenergy/detail.php?id=37652>

⁴ J.D. Power 2020 Electric Utility Residential Customer Satisfaction Study, <https://www.jdpower.com/business/press-releases/2020-electric-utility-residential-customer-satisfaction-study>

⁵ J.D. Power 2020 Electric Utility Business Customer Satisfaction Study, <https://www.jdpower.com/business/press-releases/2020-electric-utility-business-customer-satisfaction-study>

⁶ J.D. Power 2019 Electric Utility Residential Customer Satisfaction Study, <https://www.jdpower.com/business/press-releases/2019-electric-utility-residential-customer-satisfaction-study>

⁷ J.D. Power 2019 Electric Utility Business Customer Satisfaction Study, <https://www.jdpower.com/business/press-releases/2019-electric-utility-business-customer-satisfaction-study>

⁸ J.D. Power 2018 Electric Utility Business Customer Satisfaction Study, <https://www.jdpower.com/business/press-releases/2018-electric-utility-business-customer-satisfaction-study>

⁹ "PG&E pleads guilty to 84 counts of involuntary manslaughter in California wildfire", June 16, 2020, Reuters, <https://www.reuters.com/article/us-california-wildfires-pg-e/pg-e-pleads-guilty-to-84-counts-of-involuntary-manslaughter-in-california-wildfire-idUSKBN23N35T>

for our electric utilities in Maine have failed to provide our utility customers with the service they deserve. By any reasonable metric, it is fair to conclude that our regulation of the investor-owned utilities hasn't lived up to our statutory requirement of ensuring that "Maine consumers enjoy safe, adequate and reliable services at rates that are just and reasonable for both consumers and utilities."¹⁰

If those of us who have spent time working at the state level on energy and economic development issues look for it, we know why we are in the position we are in. There are events and incidents that we chalk up to being isolated incidents or which we tacitly accept as "the way things are done". When taken in aggregate, they help paint a picture that explains why the customers of Maine's electrical utilities receive a substandard level of service.

We've seen the CEO of CMP mislead the public on critical issues that impact our most vulnerable neighbors with general impunity.¹¹

We've seen a former governor lobby on behalf of CMP¹². Another of our former governors earned \$200,000 in 2020 to serve on the board of CMP's parent company – a position he's held since 2014.¹³ Individuals with deep ties to CMP are active in our major elections and – in many cases – have unparalleled access to state leaders. In some cases, this access has subverted nonpartisan efforts to better understand the costs and benefits to ratepayers of specific proposals.

CMP has been able to use its ample funding to garner support through new entities that have been established through existing organizations like the State Chamber of Commerce¹⁴ or new entities created solely with funding from CMP to support its efforts and to intervene on CMP's behalf in public processes¹⁵.

¹⁰ M.R.S.A. Title 35-A, Section 101

¹¹ On April 6, 2018, CMP President and CEO Doug Herling told reporters, "We have done our investigation, at this point in time we have not found anything about our system or smart meters that would artificially increase customers' usage." This is counter to internal CMP documents reported by the Bangor Daily News and conversations I had directly with CMP leadership while advocating on behalf of a woman in Norridgewock living on a fixed income who received a \$13,000 invoice that was attributed to an error in the billing system resulting from a specific meter phenomenon. See "CMP says internal audit offers no explanation for spike in some customers' energy bills", April 6, 2018, Portland Press Herald, downloaded from <https://www.pressherald.com/2018/04/06/cmp-says-internal-audit-offers-no-explanation-for-high-bills/> and "Documents show CMP knew of billing problems early on, feared investigation", May 4, 2018, Bangor Daily News, downloaded from <https://bangordailynews.com/2018/05/04/business/documents-show-cmp-knew-of-billing-problems-early-on-feared-investigation/>

¹² "Paul LePage says he was paid \$7,500 last year to advocate for CMP corridor," February 24, 2020, Bangor Daily News, downloaded from <https://bangordailynews.com/2020/02/24/news/paul-lepage-says-he-was-paid-7500-last-year-to-advocate-for-cmp-corridor/>

¹³ 2021 Notice of Annual Meeting and Proxy Statement, Avangrid, downloaded from <https://www.avangrid.com/wps/wcm/connect/www.avangrid.com/18200/1ee50a2-743b-45b8-b1fc-4f5ebdedc224/AVANGRID+2021+Notice+of+Annual+Meeting+and+Proxy+Statement.pdf?MOD=AJPERES&CVID=nzsqfdi>

¹⁴ "The Maine State Chamber of Commerce is also against [LD 1708], and it appears to be using the new Maine Affordable Energy Coalition, or MAEC, as a way to wage a public relations campaign to oppose it... Willy Ritch, with the new MAEC, confirmed Thursday that his group is 'a project of the Maine State Chamber.'" from "Pulse Newsletter: Mills Makes History By Committing To Fully Fund Education", May 14, 2021, Maine Public, downloaded from <https://www.mainepublic.org/politics/2021-05-14/pulse-newsletter-mills-makes-history-by-committing-to-fully-fund-education>

¹⁵ See Memorandum of Understanding between CMP and Western Mountains & Rivers Corporation dated May 30, 2018, available at http://mediad.publicbroadcasting.net/p/mpbn/files/201806/memorandum_of_understanding_may_30_2c_2018_final_p1522306x9f873.pdf

We've seen former Public Utility Commissioners hired directly upon the completion of their term by CMP's parent company¹⁶. We've also seen a number of PUC commissioners – those who are tasked with policing our investor-owned utilities – with significant ties to our utilities prior to their service to the Commission.

While CMP has largely failed to lead in customer service and reliability, it has led elsewhere. The utility is typically towards the top of the pile in lobbying expenditures and efforts to undermine the expansion of solar energy resources in Maine^{17,18}.

Over the past several years, I've had tangential side conversations with state leaders during breaks between proceedings that have seemed inconsequential at the time, but upon reflection illustrate the institutional biases that have led us here. I once had a conversation with a key department lead who was willing to immediately concede to the inevitability of an unpopular infrastructure project based on a lack of historical accountability mechanisms and then watched over the following months how that perspective influenced decision-making. I had a conversation with a key energy leader in Augusta who doubted claims of customers' issues regarding CMP's billing woes and suspected that the issues were largely due to misunderstanding of Maine ratepayers, and then saw how that same perspective permeates our institutions in a later conversation with a regulator who expressed similar doubts. I've met with other regulators and been told that it is difficult to counter the utility when it claims that a matter may impact "safety and reliability". I have also watched the utilities this body regulates consistently use concerns of "safety and reliability" in proceedings where these concerns are largely irrelevant to the matter in an effort to achieve their preferred outcome.

I've also participated at the Commission and seen the structural challenges that exist in regulating utilities that have the primary obligation to maximize earning for their shareholders. We have processes that cannot change as fast as our technologies and markets, proposed projects that were never imagined when developing and amending rules, and the significant advantage that is given to high budget utilities whose participation at the PUC is baked into their business model and paid for by ratepayers.

Our past success as a nation has been largely built upon our collective investment in infrastructure. The future of our state and its ability to respond to a rapidly changing energy sector will also depend heavily upon our collective investment in infrastructure – namely our electrical grid. It is abundantly clear by every reasonable metric that our current utility structure is not sufficient to serve Maine ratepayers now. This poses significant doubt in our ability to achieve our state's goals and to fully leverage the associated economic benefits of this investment.

Opponents have erroneously – and often maliciously – tried to mischaracterize the transition to a consumer-owned utility as a "government takeover". Let's be direct. We have seen government given the opportunity to provide oversight of our electrical grid through lawmaking and regulation. The outcomes speak for themselves.

¹⁶ "Former LePage lawyer who quit as utilities regulator in June lands job at CMP parent company", August 8, 2017, Bangor Daily News, downloaded at <https://bangordailynews.com/2017/08/08/business/former-lepage-lawyer-who-quit-as-utilities-regulator-in-june-lands-job-at-cmp-parent-company/>

¹⁷ "Lobbyists spend \$4.2 million in Maine Legislature's session," September 22, 2019, Portland Press Herald, downloaded at <https://www.pressherald.com/2019/09/22/telecommunications-utilities-spend-heavy-on-lobbying-in-maine/>

¹⁸ "How Central Maine Power killed a popular pro-rooftop solar bill", August 21, 2017, Energy and Policy Institute, downloaded at <https://www.energyandpolicy.org/central-maine-power-solar-net-metering/>

Since our state's ratepayers are the ones most affected by the issues related to economic development and climate change and our institutions have not provided us with the level of accountability we deserve, it is time to give voters the ability to exhibit the courage needed to tackle the challenges we face today and seize the opportunities we have ahead of us.

Sincerely,

A handwritten signature in black ink, reading "Vaughan Woodruff". The signature is written in a cursive, flowing style with a large initial 'V'.

Vaughan Woodruff
Pittsfield, ME