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Senator Lawrence, Representative Berry and distinguished members of the Energy, Utilities, and Technology Committee, thank you for allowing me to speak in support of LD # 1708 An Act to Create the Pine Tree Power Company. My name is Evan Yates and I live in Cape Porpoise, Maine. I strongly support this legislation because it benefits utility workers, Maine's existing consumer-owned utilities (COUs), Maine businesses, Mainers, and the state of Maine itself.

This proposed COU legislation guarantees that utility workers will keep their jobs, contracts, seniority, and pensions. New jobs will be added to build reliability, grid capacity, and emergency response. New jobs and greater reliability, grid capacity, and emergency response benefits everyone.

Maine's existing COUs will benefit from the more robust statewide grid that the new COU will build around them. And they will be free to join the new COU or not, whatever they decide is best for their customers.

The proposed COU legislation will save Maine businesses money. The frequent, long-lasting power outages caused by CMP cost businesses untold millions in lost productivity, sales, rentals, and data, among other losses. Businesses will save with a COU both by paying lower rates and by getting more reliable power, which benefits the consumers who depend on these Maine-owned businesses. When small businesses thrive, our state thrives.

The state of Maine will benefit from this COU legislation because Maine will finally be able to stop wasting resources on disciplining for-profit utilities. Since there is room for only one grid, power distribution is a natural monopoly. The Public Utilities Commission (PUC) tries to compensate for this lack of competition by dialing investor-owned utilities' Return on Equity up and down — an adversarial, carrot-and-stick process that entails endless wrangling and has not, in fact, produced reliable power for Maine. The Maine Public Utilities Commission's own account of how it substitutes regulation for the effect of competition is telling. Briefly and in pertinent part, they stated: "in a competitive market, shareholders make decisions about which companies to invest in based on how well they are managed and the return they generate for investors." A COU will have no goal other than the public good, and it will have no goal opposed to the public good. This is not the case for investor-owned and investor-favored utilities like CMP and Versant, which are foreign-owned and have put profit ahead of people. There will be no games played to compensate for the lack of market forces. COU and PUC will be collaborators, not adversaries.

Maine's towns and municipalities will benefit because they, like other consumers, will get more reliable power at lower cost. Also, Maine's new COU will match what CMP or Versant pays towns in taxes.

Finally, a COU will build Maine the grid it needs at lower cost. A COU will pay half as much as an investor-owned utility to borrow the billions needed to modernize Maine's grid. As a nonprofit, its weighted average cost of capital will be about 3%, versus 8% for investor-owned utilities. These savings will enable our COU to lower electric rates and to invest in infrastructure in the public interest.

I respectfully urge you to support this legislation because it saves our state money while benefitting Maine workers, Maine businesses, Maine towns, the state of Maine, and all Mainers.

Thank you very much for your time.