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Environment and Natural Resources Committee  
Government Oversight Committee

### **Testimony of Senator Richard A. Bennett**

In Support of

LD 697, An Act To Enhance the Energy Security of Maine Residents

March 8, 2022

Senator Lawrence, Representative Berry and members of the Committee on Energy, Utilities, and Technology. I am Senator Rick Bennett of Oxford, and I have the honoring of serving 13 towns in Oxford and Cumberland Counties in the Maine Senate. I am pleased to speak in favor of LD 697, “An Act To Enhance the Energy Security of Maine Residents.”

As you know, in the 129<sup>th</sup> Legislature a law was passed requiring that when there is a change in ownership or control of a utility, the Public Utilities Commission must determine there is a net benefit to the public. Prior to that there was a “no harm” standard. This law does not go far enough in protecting the public interest in the event of foreign ownership.

Enacting LD 697 as amended will require regulators to deny utility ownership to distant, self-interested foreign governments and companies if allowing a buyout would hurt the safety, privacy or wallets of Maine utility customers. Such reform is overdue.

Over the years Mainers have seen their utility providers change hands multiple times. Today we let foreign governments own our critical utility infrastructure outright – and also let them spend unlimited money to influence our elections. What could possibly go wrong?

We know that Versant is one hundred percent owned by the City of Calgary, Canada. Yes, Bangor ratepayers are subsidizing street-paving in Canada.

And CMP is one hundred percent owned by Avangrid, which in turn is 82% owned by the Spanish conglomerate Iberdrola. Who are the largest owners of Iberdrola? The government-controlled sovereign wealth funds of Qatar and Norway. And by the way, Iberdrola’s CEO Sanchez Galan is under investigation in Spain for bribery and fraud.

Now, under the rules of the NYSE, Avangrid is a “controlled company” and so does not need to have a majority of independent directors. As a consequence, the puppetmasters of our state’s largest utility have no compunction about repeatedly suing the people of Maine, its customers.

Our electric transmission and distribution utilities are natural monopolies. Foreign ownership of our grid makes no sense. At best it creates perverse incentives, bad service, and underinvestment

in the infrastructure that Maine needs to grow our economy and tackle the challenges of this century. At worst, it's dangerous to our national security too.

If another foreign government wanted to buy CMP or Versant, or a water or telephone or gas utility, what would stop them? Literally nothing in Maine law.

I urge the committee to pass LD 697 and create real guardrails to foreign ownership of our electric grid.