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Testimony and Suggestions in support of L.D. 318
As it would be amended by
Rep. Grohoski's amendment of 3/15/22

To Direct the Office of Public Advocate
To Study Reforming Maine's System of Retail Electricity Supply
To Provide More Options to Maine Customers and
Support Maine's Climate Goals

March 15, 2022

By email to: "Legislature: Committee on Energy, Utilities and Technology"
<EUTMembers@legislature.maine.gov>

And to submitted via the website of the Committee before the hearing.

Dear Committee Chairs and Members,

I am happy to submit this testimony in support of the amendment offered in the nature of a substitute by the sponsor of L.D. 318, Rep. Nicole Grohoski.

As a staff member and then Chairman of the Indiana Public Interest Research Group from 1974-1977 I participated in pressing for the reforms that InPIRG had identified with the help of economics professors of Indiana University and in the creation of a Citizens' Energy Coalition of labor, consumer, public interest and conservation groups to accomplish the kind of reforms that Rep. Grohoski's bill would prepare the State of Maine to enact. During that period I also helped design and begin a multi-year, multi-university technology assessment of the impact of a large number of coal-fired power plants along the Ohio River entitled the Ohio River Basin Energy Study funded largely by the U.S. Environmental Protection Agency. For four years after that, as a legislative aide to a member of Congress, I helped staff the Solar Energy Caucus of the House of Representatives. Ever since the twin challenges of providing reliable, fairly priced energy and restoring our environment have been a large part of my work in conservation and climate policy and law.

L.D. 318 is exactly the way to lay the groundwork for a well-reasoned set of reforms to address that two-pronged problem made all the more urgent by the invasion of Ukraine and the demonstration of the need for reliable, clean independent power for at

least the third time since the first Arab Oil Embargoes of 1973 and 1979. We had learned nearly twenty years later with the signing of the UNFCCC climate convention and the Convention on Biological Diversity by most nations on earth at the UN Conference on the Environment and Development in 1992 that we had not solved either question.

The bill as amended by the sponsor covers many issues, including some of those listed below, but to ensure that we are prepared to address all of the key issues by 2023, it would be best to direct the Public Advocate to report on the benefits, costs and ways in which the legislature could do the following fourteen potential reforms:

1. Study and enact a law similar to that of the state of New York that takes into account the pollution emitted in the production of natural gas out of state that is used to provide energy in or for New York.
2. Place a rebuttable cap set in constant dollars (adjusted for inflation or deflation in the energy market) upon the return to investment ratio and a cap on charges over costs for purchased power which cap can be lifted by the PUC only in so far as the utility either earns it based on the criteria developed under item 12 below (Performance Based Standards) or proof of inability to deliver reliable service absent easing of the cap.
3. Require more specific responses to consumers who inform the utilities of trees that need trimming near power lines and better arrangements than the standard \$25 per month fee now charged by some for non-service, over-priced insurance on that point.
4. Improve the renewable portfolio standard of Maine to remove large dams from the set of renewables, and include large commonly shared geothermal district heating using non - HFC refrigerants such as ammonia as they are doing in Framingham Massachusetts now.
5. Pay small generators such as homeowners with solar panels a rate comparable to the purchased power rates taking into account actual costs of integrating their power rather than credits that are never paid for directly if the consumer generator never uses them up.
6. Require the utilities to use their high credit ratings to offer low interest loans to consumers who want to buy large batteries or the utilities could buy and lend or lease them to consumers and have the batteries be considered part of their rate base.
7. Require the PUC and Governor to work with the ISO regional grid and FERC along with citizen interveners who can be paid now under the FERC Office of Public Participation to improve the access to renewable producers to the regional grid whereas now there is a backlog and waiting period for them to have access even if they are ready

to produce and sell. It could also require, in a cost effective manner, the use of direct current high voltage transmission lines of over 400 miles long to avoid line loss to leaked AC power, in state and urge the New England states and ISO and FERC to so require beyond Maine.

8. Require life-line rates of energy at cost for the smallest or lowest volume users in each class and then increase charges per unit for larger users but based not on gross use but on net use of the pollution-causing components of the supply for each month (the utilities &/or grid operators know what power is dispatched and when by the hour).

9. Require low interest loans from utilities for efficiency improvements and/or renewable electric generation or geothermal or other climate friendly non-HFC heat pumps or refrigeration units.

10. Set a schedule -- perhaps as part of the Renewable Portfolio Standard -- for phasing out all fossil fuels and nuclear-based electricity wheeled into the state -- which could be amended to reflect advances in technology, cost, supplies of alternatives, or specific regions where alternatives are not fully available.

11. Require Maine and/or the PUC to use its apparent authority to actively accommodate and [assess the utilities for the amounts necessary to] pay the costs of public interest, EJ, Native American, etc. intervenors to assist the Public Advocate or go beyond his powers in regard to judicial review or interstate FERC decisions, etc. [as they already charge their own costs of rate proceedings etc. to the ratepayers.].

12. Require the PUC to develop, propose and after rulemaking, adopt within two years of the date of enactment Performance Based Regulations for regulated utilities designed to augment and potentially replace the current regulations.

(One example already underway is that of Hawaii --

<https://dms.puc.hawaii.gov/dms/DocumentViewer?pid=A1001001A21E17B53226E00118-->)

13. Require the PUC, in consultation with the Directors of the Department of Environmental Protection, Agriculture and Marine Resources to establish a program to support the research, development, assessment and deployment of methods of removing, sequestering or destroying climate forcing substances related to the PUC's operations and oversight and of the utilities regulated by it including but not limited to carbon dioxide, methane, and black soot. Depending on resources available, these programs shall include but not be limited to methods assessed as warranting further development by the National Academy of Sciences, supported by grants from the U.S. Department of Energy, and described in peer reviewed literature as being ready for such development. The PUC may assess fees sufficient to cover the costs removing pollutants emitted over the life cycle of their services and restoring the health of the ecosystems affected by those pollutants to the extent practicable.

14. Establish a Fund for Oversight at the disposal of the Public Advocate: In addition to funds appropriated or otherwise provided by the legislature and laws of the State of Maine, the PUC in consultation with the DEP shall impose fees on those entities or persons under its jurisdiction who are polluting of the lands, air and waters in, over and around the State of Maine which fees shall be reflective of the extent of the detrimental use or pollution permitted, if any, and sufficient to cover the costs of rulemakings, inspections, licensing and enforcement, including the participation of citizens in those processes, the assistance of the Public Advocate or Attorney General, and oversight of that activity and its regulation by the PUC and each affected agency. Such fees shall not be reimbursed as part of the cost of doing business or rate base and shall be in addition to any fines or forfeitures otherwise authorized by law including such fees as the Administrator of each agency may determine will assist the agency in achieving the objectives of conserving the natural resources of, or important for, the economy and people, of Maine, and providing for the restorative enjoyment of them as supported by the best available scientific evidence.

Thank you very much for the opportunity to submit testimony in support of strengthening and enacting L.D. 318, which you should enact even if you do not include the suggestions above as it is a fine and timely bill.