

Gordon L. Weil
Harpswell

Testimony on LD 1026 "An Act To Update the Regulation of Public Utility Monopolies"

Committee on Energy, Utilities and Technology

March 16, 2022

Senator Lawrence, Rep. Berry, members of the Committee,

I am Gordon L. Weil of Harpswell. I previously served Maine Public Advocate, Director of the Office of Energy Resources and Commissioner of the Department of Business Regulation. I served as a consultant to utilities and their customers in the U.S. and Canada for 35 years.

I testify in favor of the Sponsor Amendment provisions relating to local electric service options.

I was involved in the adoption of the legislation that this amendment would affect. The Legislature's intent was to provide a local option for electric service, just as the law provided for many other options for municipal activities.

The amendment would enhance the effectiveness of the existing local option for electric service. Implementing action would have to be taken by municipalities and would not be imposed or prevented by the State.

The local option can offer better choice to Maine people. However, in itself, it does not require any change from the current utility situation.

In considering this proposed legislation, the following points are worth taking into account. All are based on my direct personal experience in Maine and other states.

- A municipality would have to follow a prescribed process assuring popular control in pursuing the possibility of providing local electric service.
- An incumbent electric utility would have full opportunity to participate in the process and could actively promote its alternative to municipal action.
- Based on extensive experience in Maine and elsewhere, a municipality of any size could create a viable service if it so chose.
- A municipal or cooperative entity would be subject to the same regulation as are today's consumer owned utilities.

- The municipal option could provide a competitive benchmark for incumbent utilities. Given the current interest in electric utility accountability, the possibility of the municipal option could encourage incumbent utilities to provide improved levels of service.
- Local electric service providers could obtain necessary operating services from providers that are now available, including the incumbent utility, on a competitive basis, thus preserving jobs while being able to operate closer to the end-use customer.
- Municipalities would retain the ability to revert to service from the prior incumbent.
- Regional and state entities are available that could provide necessary support on finance and operations to municipal services.
- As is the case with current consumer owned utilities, municipal services would have access to power supply arrangements that have produced lower and more stable rates than are being achieved in the two-tier system that applies to the incumbent utilities.

In Maine today, there is considerable interest in the cost and quality of electric service. Various proposals are before the Legislature and the people for changes that may take considerable time to implement and would produce uncertain outcomes.

This bill could provide the opportunity for addressing these concerns more promptly and more effectively as and when needed. It would leave the essential decisions to the people who would have to pay for any change without requiring any change or decisions.

The bill offers a way to respond to current concerns without mandating it. It could open a process of improved accountability and lead to earlier consideration of all alternatives. Perhaps best of all, it relies on the well-tested principal of responsible local self-government.

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