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May 18, 2023

Testimony in Opposition: LD 1895, AN ACT REGARDING THE PROCUREMENT OF ENERGY FROM OFFSHORE WIND RESOURCES [PROPOSED SPONSOR AMENDMENT AS OF MAY 16, 2023]

Chairs Lawrence and Zeigler and honorable members of the Joint Standing Committee on Energy, Utilities and Technology. I am Alf Anderson, Associate Director for Advocacy and Outreach for AARP Maine. AARP is a non-profit, non-partisan social mission organization with more than 200,000 members across the state. We work on a range of energy issues at the state level. The core principles we approach this work with include affordability, reliability, sustainability, and accountability. We support low-income energy assistance programs. We also support coordination of outreach and enrollment in such programs.

AARP Maine's opposition to this bill is not an opposition to the development of offshore wind resources and transmission per se. We have the following specific concerns about the bill:

- While Maine's investments in offshore wind shore and port facilities may be an appropriate economic and energy goal, the mandate to procure contracts for 3,800 MW for offshore wind using a technology that has not yet been demonstrated as cost effective is therefore premature. Last year's legislative mandate to the Public Utilities Commission (PUC) to negotiate a contract for the demonstration of floating wind turbines is not yet complete and no scaled demonstration project has been implemented. Nor do we know the costs to Maine's distribution ratepayers for this pending contract at the PUC. Let's wait until we have the findings before going further.
- The bill mandates that the prices for procuring this yet-to-be-proven technology will only assure a 60% allocation of benefits to ratepayers. Therefore, ratepayers will pay 100% of the costs that will subsidize general economic and natural resource benefits. Benefits that cannot be reflected in the rates for essential distribution services should be funded by taxpayers, not ratepayers. This bill will make the current regressive nature of electricity rates and prices even more harmful to lower income and elderly customers. Alternatively, the state should apply for funding from the Department of Energy rather than ask its ratepayers to foot the bill.
- The bill contains no limitations on rate increases or protections to mitigate bill impacts for Maine's residential customers. The bill states that the newly created fund that may aid low-income ratepayers only provides 20% of the unidentified fund resources to financial assistance to low-income households. Our concern about this misallocation of resources is heightened by the fact that the current bill payment assistance program, while unbelievably valuable, only serves a small minority of the actual low-income households in Maine.

I urge you to consider the already over-burdened electricity ratepayers in Maine and reject this bill.
Thank you for the opportunity to provide our views on this important bill.

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