



Testimony in Support of LD 1778: “An Act to Ensure a Sustainable Electric Grid”

Senator Lawrence, Representative Zeigler, and the distinguished members of the Committee on Energy, Utilities, and Technology, my name is Nick Murray and I serve as director of policy for Maine Policy Institute. We are a free market think tank, a nonpartisan, nonprofit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to testify **in support of LD 1778**.

The current situation is dire. Ratepayers are still reeling from record rate increases year-over-year since 2021,¹ face yet another \$9 monthly hike on average this July, and more incremental increases to fund investments by Central Maine Power (CMP) into the grid.²

If that wasn't enough, our state Public Advocate is warning that well-intentioned “green energy” programs like community solar will make the situation for ratepayers even worse.³ The Mills administration is openly acknowledging that it is blocking the entrance of cheaper power into the market in favor of protecting its friends in the biomass industry.⁴

Misguided politicians running the states within our regional electric grid, ISO-NE, are rejecting reliable base-load power sources like nuclear and hydroelectric power in favor of intermittent, unreliable sources like wind and solar. Fundamentally, this ethos is restricting supply and has led to New Englanders paying the second-highest electricity rates in the nation.⁵ Our energy policy is sorely off-track.

LD 1778 offers several key reforms to decrease pressure on electricity rates by leveling the playing field for all types of energy generation instead of tilting the balance in favor of those energy sources which are preferred by some politicians and their donors. The laws of the natural universe compel us to reject favoritism of solar panels and wind turbines. They are simply too inefficient and resource-heavy on which to stake the future of our energy supply.

Firstly, it repeals net energy billing, a policy failure which has been unnecessarily costly for ratepayers. Secondly, it repeals the economically destructive cap on renewable

¹ <https://www.maine.gov/energy/electricity-prices>

² <https://www.pressherald.com/2023/05/01/cmp-pursues-closed-door-settlement-in-rate-hike-request/>

³ <https://www.bangordailynews.com/2023/04/13/mainefocus/maine-community-solar-costs-harwood/>

⁴ <https://mainelegislature.org/legis/bills/getTestimonyDoc.asp?id=169595>

⁵ U.S. Energy Information Administration, EIA.gov

energy plants which are greater than 100 MW capacity, unless they are wind or solar farms. Why does the capacity of a particular generation project matter if the technology used generates no emissions and contributes to lowering greenhouse gas emissions, the stated goal of the state's renewable portfolio standards (RPS) program?

This question alone highlights the farce that is RPS. Instead of being aligned to environmental health and the goal of making power without harmful emissions, it instead has become a cudgel for activists and politicians to mold the state and its residents to their radical values. That is why LD 1778 also repeals RPS, to end the wasteful misallocation of resources which occurs when the state picks winners and losers in the energy market.

Lastly, it frees Maine ratepayers from the costs imposed by Maine's participation in the Regional Greenhouse Gas Initiative (RGGI). The bill caps the amount the state may spend on carbon efficiency credits within RGGI to \$5 per metric ton (MT) of carbon saved, requiring any fees above that be reimbursed to ratepayers. This reform is critical to align the interests of ratepayers with the real-world carbon reduction benefits achieved through RGGI, which are dubious at best.

RGGI reports disclose that \$2.5 billion has been invested on efficiency measures, claiming to have saved 49.5 MT of carbon over the lifetime of the program: \$51 per ton of carbon.⁶ Yet, the price of RGGI credits are capped at \$7.65 per credit, equal to 1 MT of carbon emitted. How can RGGI claim to lower carbon emissions if it is spending six-times more to "save" a ton of carbon than it charges emitters to "spend" the same ton of carbon?

This bill presents an opportunity for this legislature to correct the policy mistakes which have been made in recent decades and led to crushingly-high power costs. Please **deem LD 1778 "Ought To Pass"** to take politics out of energy markets, increase supply to put downward pressure on electricity prices, and diversify the power grid. Thank you for your time and consideration.

⁶ <https://www.rggi.org/investments/proceeds-investments>