



**From: Jay Chace, Central Maine Power, Program Manager**  
**To: Committee on Innovation, Development, Economic Advancement and Business**  
**Date: May 19, 2023**

**Re: Public Testimony on An Act to Modernize Maine's Business Incentive Programs by Creating the Dirigo Business Incentives Program and Eliminating Certain Other Tax Incentive Programs (LD 1918)**

On behalf of Central Maine Power (CMP), I would like to thank Chairs Curry and Roberts, along with the distinguished members of the Committee on Innovation, Development, Economic Advancement and Business for the opportunity to comment on Legislative Document 1918. While CMP is speaking neither for or against this bill today, we appreciate the work of the Governor's Office, the DECD, the Legislators and this Committee on issues of economic development in the State of Maine.

Over the course of the past year, we have been coordinating with the DECD staff on various economic development efforts and we appreciate meeting with them recently to discuss the important work of LD 1918 prior to this public hearing. Our substantive comments in this testimony are primarily related to the provisions Sec. 4. 35-A MRSA §3210-E, sub-§1, 1. Discount Rates.

For those that are not aware, there is a Public Utility Commission (PUC) approved economic development incentive price rider which provides credits for electrical delivery rates which is explicitly tied to the State's Pine Tree Development Zone (PTDZ) statute. The proposed language in LD 1918 includes language which clarifies the qualifying energy consumption to which the incentives would be applicable.

To briefly introduce the PTDZ economic development rider, this is a special pricing plan designed to work with the State's PTDZ benefits to create and retain high quality jobs for Maine. In short summary, CMP's PTDZ price rider ensures that eligible and approved businesses will receive credit on their incremental energy consumption. This credit is currently defined as the lesser of either of (1) the customer's stranded cost contribution for the preceding twelve-month billing period or (2) the customer's total incremental kilowatt-hour usage (at least 10% ) for the preceding twelve-month billing period.

CMP's PTDZ price rider program is set to expire the 'sooner of either 12/31/24 or at the termination of the State's PTZD program'. Assuming the legislative language moves forward as is, no adjustment to the tariff would be needed as the sunset dates are aligned. However, the timeline established in the proposed LD 1918 provides an opportunity for the state's electric delivery companies, the PUC, and other partners to consider benefits and incentives that could

accompany the State's Dirigo program, similar to what has been provided through the PTZD program.

The main intent of our comment is to provide this awareness of the PTZD electrical consumption price rider existing program, and to encourage on-going discussions related to the benefit and incentive programs that may accompany the Dirigo program.

With respect to specifics of the proposed language, I would like to highlight that there appears to be some similarities in approach between the reporting language in LD 1918, Sec. 12. 36 MSRA 5219-AAA(10) (see line 17-32) with the LD 1804 being considered by the Taxation Committee. For clarity and consistency purposes perhaps a comparison of the provisions of these two bills might be warranted.

Finally, as noted during spoken testimony, I spent 20 years as municipal planner drafting and reviewing ordinance and regulatory language. To that end, I'd offer the two non-substantive comments specific to the drafted legislation LD 1918 for purposes of clarity:

(Proposed additions highlighted below)

a. For clarify of intent that the discount rate is established for the Dirigo program, suggest modifying Sec 4,35-A 3210-E(1)

1. Discount rates. Transmission and distribution utilities may offer discounted rates on new incremental electricity usage to qualified Pine Tree Development Zone businesses established under Title 30-A and qualified businesses with respect to the Dirigo business incentives program established under Title 36, section 5219-AAA. If a transmission and distribution utility requires approval prior to offering any such rate, the transmission and distribution utility shall apply to the commission in accordance with applicable provisions of this Title, and the commission may approve the rate if it finds it to be in accord with applicable requirements of this Title, except that the commission may take into account the overall benefits to ratepayers resulting from state efforts to promote economic development within Pine Tree Development Zones and the Dirigo business incentives program.

b. Proposed language aims assist reader of the legislation. As written, the term 'eligible sector', is only found in other definitions of "Qualified business" & "Qualified business activity". Suggest modifying Sec 12, 36 5219-AAA(3) - see line 24

3. Certification of qualified business. An eligible sector business may apply to the commissioner for certification as a qualified business for purposes of the program. Upon review and determination by the commissioner that a business is a qualified business, the commissioner shall issue a letter of certification to the business that includes a description of the qualified business activity for which the letter is being issued. A letter of certification for a qualified business activity is valid for 5 years for purposes of this section. A letter of certification may describe qualified business activities in multiple locations and multiple eligible business sectors. The commissioner may issue more than one letter of certification to a qualified business. A business may not be a qualified business if the business is:

Thank you.