



March 15, 2021

Testimony in **Support** of LD 194 and LD 479

Senator Lucchini, Representative Caiazzo and distinguished members of the Veterans and Legal Affairs Committee, my name is Krysta West, and I'm here today to testify in support of LDs 194 and 479 on behalf of Mainers for Local Power.

In this country, foreign interference in our elections is explicitly illegal, but last year, Hydro-Quebec exposed a loophole in Maine law that draws a blind eye to referendums, and for the past year, it has exploited this loophole to pump millions of dollars into a PAC to influence Maine voters on the controversial NECEC Corridor project. HQ is doing this even though this sort of foreign interference is also illegal in Canada.

As a Crown Corporation, HQ is solely owned by the Province of Quebec, and each year, it shares billions in dividends with the government that owns it. This corporation stands to make \$12.4 billion off of the contract to sell power to Massachusetts through Maine's grid, and according to its annual report, this project is pivotal to achieving HQ's stated goal of doubling corporate profits by 2030.

Last year, HQ funneled an unprecedented \$9.2 million into their PAC to influence Maine voters, and it's continued to spend heavily this year. While HQ chose not to participate in any of the related Maine regulatory proceedings - and has never provided any evidence to confirm they have enough extra hydroelectricity without power from other sources - it lobbied heavily to kill Sen. Carson's bill to study the true impacts this project would have on global greenhouse gas reductions. Now HQ feels that it's appropriate to "educate Maine voters" through excessive ads promoting unsubstantiated claims.

In continuing to exploit this loophole, HQ has shown a real disdain for the voters of Maine, and for our laws. Last year, it was assessed a fine of \$35,000, the second-largest campaign violation fine in state history, after pleading guilty to spending upwards of \$100,000 to influence Maine voters before registering as a PAC, and after Rep. Ackley submitted similar legislation to close this loophole last year, HQ changed the address for the PAC from Montreal to Hartford, CT in an effort to seem less foreign to Maine voters.

Also last year, HQ faced scrutiny for misusing photos of Maine's iconic Baxter State Park in a deceptive ad that was strongly rebuked by Friends of Baxter State Park.

While HQ has been completely absent during the regulatory process, it did come out of hiding to testify against Rep. Ackley's bill to close the foreign-interference loophole last session. In testimony, HQ claimed that strengthening our law to protect Maine residents from foreign interference would "...do a serious disservice to Maine." Mainers for Local Power believes the real disservice is continuing to allow a foreign government-owned corporation to break campaign finance laws and run deceptive ads to convince Mainers how to vote on a project they stand to make billions on. The time to educate Mainers was under oath during the regulatory process. Not through unverifiable claims promoted in flashy ads.

Regardless of how you feel about NECEC, HQ has exposed a weakness in Maine's election law that needs to be fixed. Today, it's the government of Quebec. But now that HQ has shown that this loophole exists and it's gotten away with exploiting it, a dangerous precedent has been set for referendums to come. Please swiftly vote to close this loophole.

Thank you.