

**130th Maine Legislature
First Regular Session – 2021**

Committee on Energy, Utilities and Technology

LD 1708: An Act To Create the Pine Tree Power Company, a Nonprofit Utility, To Deliver Lower Rates, Reliability and Local Control for Maine Energy Independence

Testimony of Dr. Richard Silkman in Support

Senator Lawrence, Representative Berry, members of the Committee, my name is Dr. Richard Silkman. I live in Scarborough, ME and am CEO of Competitive Energy Services, an energy consulting company based in Portland. I am submitting this testimony in support of LD 1708.

I have come before you this session on three occasions – to support the Maine Generation Authority bill, to support the Offshore Wind bill, and to oppose the offshore wind prohibition bill. In each case, my testimony was based on key findings of my research regarding what it will take for Maine to achieve a zero-carbon economy by 2050.

Today is a bit different. In my book I did not include consideration of municipalization of Maine's two investor-owned utilities. I thought doing so would be a distraction from my central focus on beneficial electrification and deep decarbonization of the generation of electricity. Further, to the extent that there would be financial benefits from municipalization, these would serve to reinforce my primary conclusion – that there is a pathway for Maine to achieve zero-carbon by 2050 without increasing the total amount we spend each year on energy.

Since publishing my book, I have had occasion to look more closely at municipalization, as I undertook a review and critique of the London School of Economics Study this committee directed the PUC to perform. As you may recall, LEI found ratepayer financial benefits associated with municipalization; my own work found that LEI underestimated those benefits by a significant amount.

The matter of financial benefits, however, is only one dimension of the issue before you today.

Most of us learned in school the last line of Patrick Henry's immortal speech – "Give me liberty or give me death". What we tend to overlook is how Mr. Henry reached this profound conclusion. This appears in an earlier paragraph:

I have but one lamp by which my feet are guided; and that is the lamp of experience. I know of no way of judging of the future but by the past. And judging by the past, I wish to know what there has been in the conduct of the British ministry for the last ten years, to justify those hopes with which gentlemen have been pleased to solace themselves, and the House?

I ask that you apply the same standard to CMP (Energy East, Iberdrola, Avangrid) and Versant (Bangor Hydro, Emera) – Let me shed some light on this conduct:

1. Throughout the 1970s, the utilities refused to allow anyone else to interconnect their generation to the utility grid. This led to laws at the national and state levels mandating that such interconnections be allowed – and in Maine, to the forced divestiture of all generation as the only means to ensure that the utilities would adhere to state policy.

2. Over the three-decade period 1980 – 2010, repeated instances of the utilities’ frustrating state policies to encourage energy conservation led to the creation of the Efficiency Maine Trust – effectively removing all energy conservation and demand-side management activities from the utilities.
3. A similar frustration with the utilities’ favoring of expensive transmission options instead of distributed, non-wires alternatives led to the establishment of a Non-Wires Coordinator function in the Office of the Public Advocate.
4. The \$1.5 billion Maine Power Reliability Project received broad support as a means of unlocking thousands of MWs of potential wind generation in Aroostook County; once approved and under construction, we learned that it would do no such thing.
5. Major rate design reform – like that advocated in the recently released MURRDI Report – could not be implemented 7 years ago because of the limitations of utility billing systems. Having spent over \$50 million to upgrade its billing system, CMP is still not able to implement the rate structures we need for a smart electric grid as required by law.
6. And, speaking of billing systems – well, you are all very familiar with the CMP billing debacle and do not need to be reminded of it.
7. And most recently – the traditional utility approach to interconnecting distributed generators would impose millions of dollars on small solar projects – effectively stopping most such projects ... when, in CMP’s words, a non-traditional approach would cost a small fraction of the original cost estimates.

Never were more damning words spoken ... I cannot help but wonder how just many times over the past decades ratepayers have been forced to pay the costs of

traditional utility approaches when other, much less expensive options were available ...

Which brings us back to Patrick Henry's question – Just what is it in the conduct of our investor-owned utilities that provides solace to opponents of this bill?

Thank you for your consideration. I would be happy to respond to any questions you might have.