

Testimony of Ben Lucas, on behalf of the Maine State Chamber of Commerce
NEITHER FOR NOR AGAINST
LD 1959, An Act To Ensure Transmission and Distribution Utility Accountability

February 22, 2022

Senator Lawrence, Representative Berry, and members of the Committee on Energy, Utilities, and Technology:

My name is Ben Lucas, and I am a resident of Portland. I am here today representing the Maine State Chamber of Commerce, a statewide business organization consisting of a network of more than 5,000 large and small employers across Maine. The Maine State Chamber of Commerce is testifying “neither for nor against” on LD 1959.

First, I want to start by recognizing and appreciating where Governor Mills is coming from by putting this legislation forward. We agree that utilities should be held to a high standard, and we believe this bill is an attempt at a measured approach. We believe that Maine businesses and our utilities welcome performance standards reviews, however, we would like to offer a couple of concerns with LD 1959 as drafted and caution the committee as this bill moves forward.

We feel that it is important that the performance reviews put forward in section one of the bill are objective and not subjective. Again, we support the concept of performance reviews, but making sure the metrics can produce a definite answer is critical so the utilities know what they must do to reach the goals put forward by the commission. Performance reviews should be based on facts that are objective and verifiable, not left to the subjective, and governed by personal feelings or viewpoints. The goals should be achievable so the utilities can be successful. I would note that as drafted, several of the performance standards proposed in LD 1959 are standards the utilities recently and consistently meet under the service quality indicators.

Another concern we would raise, again in section one under part B and in section four – concern making the reports due every quarter, with two consecutive quarters potentially triggering the imposition of a \$1,000,000 fine. We believe a rolling average would be a more effective way to measure the standards, which is what the PUC currently does. Requiring the utilities to report every quarter may be fine, but the assessment should be done over a longer period. We believe it is critical that in these standards, baselines are set and build off those.

Our last concerns we will raise with LD 1959 is around section five, the divestiture of the asset. It needs to be clear what would cause an adjudicatory proceeding from the PUC. Right now, the language is vague, and we would ask the committee to carefully consider guidelines for this. Our electrical infrastructure is critical to Maine businesses. Our businesses rely on the transmission utilities every single day to bring electricity to their business so they can operate. If the PUC is going to potentially require the utilities to be sold, it needs to be carefully considered and not fall victim to the political winds that exists around this topic. We would ask the committee to carefully consider this section.

The business community will be following this issue very closely, as this legislation could have on impacts on more than our transmission and distribution utilities in Maine. In this case, we recognize this is targeting two specific Maine companies, but in the future, it could be another Maine business. Which is why we would also highlight that

the sale of an asset would be conducted through the PUC, with no plan for shareholder compensation. It is just and fair that if the state is forcing a business to be sold, that the business should be the one conducting the sale. Not state government or in this case, the PUC.

To conclude, we would again cation the committee to address these concerns and consider the future impact this could have on all businesses in the Maine and the people they employ. Thank you for allowing me to testify today. I am happy to answer any questions and I will be available for the work session.

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