



Testimony in Opposition to LD 1358, An Act to Reduce Electricity Rates by Removing Limitations on the Ownership of Generation by an Affiliate of an Investor-owned Transmission and Distribution Utility

**To the Joint Committee on Energy, Utilities and Technology
by Jack Shapiro, Climate and Clean Energy Program Director
April 16, 2025**

Senator Lawrence, Representative Sachs, members of the Energy, Utilities and Technology Committee, my name is Jack Shapiro, and I am the Climate and Clean Energy Director at the Natural Resources Council of Maine (NRCM). NRCM is a nonpartisan membership organization that has been working for more than 65 years to protect, restore, and conserve Maine's environment, now and for future generations. On behalf of our nearly 20,000 members and supporters, NRCM testifies in opposition to LD 1358, An Act to Reduce Electricity Rates by Removing Limitations on the Ownership of Generation by an Affiliate of an Investor-owned Transmission and Distribution Utility.

This bill would allow affiliates of investor-owned transmission and distribution (T&D) utilities to own and operate generation facilities and interconnect them in Maine, as well as to participate in long-term contracts.

In 1997, the Legislature passed the Electric Industry Restructuring Act to introduce competition to power generation in Maine, encourage efficiency and innovation, and ensure the risks from capital-intensive generation projects were borne by competitive suppliers and their investors, rather than ratepayers. LD 1358 would roll back restructuring and potentially invite practices by our T&D utilities that would reduce competition.

Allowing affiliate interconnections raises the risk of utilities privileging assets owned by affiliates over those owned by competitive third parties. This could have the effect of reducing competition among generators and increasing costs for Maine ratepayers.

Interconnecting new generation in Maine has been a well-documented challenge over the past several years, with generators subjected to extensive and often unexplained delays and high upgrade costs.

Utilities' internal operational and system data on loads, capacities, and equipment, applied to their own opaque and at times inconsistent interconnection standards, already pose a liability for generators seeking interconnection in Maine. These factors give asymmetrical information to the utilities, handing them an undue competitive advantage in the market.

While this section of law includes Public Utilities Commission (PUC) rules to prevent unfair competitive practices (Chapter 304),¹ this approach appears to be managing a risk that shouldn't exist in the first place.

In summary, taking steps toward utility ownership and interest in power generation – even through affiliates – unnecessarily reintroduces risks to ratepayers and undermines competition in power generation. For those reasons, we encourage the Committee to vote Ought Not To Pass on LD 1358.

Thank you, and I would be happy to answer any questions the Committee has.

¹ <https://www.maine.gov/sos/rulemaking/agency-rules/public-utilities-commission-rules>