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Hearing shows overwhelming support for [bi-partisan](#) legislation to create [Pine Tree Power Company](#), a nonprofit, consumer-owned utility that will replace CMP and Versant

AUGUSTA, Maine -- Today, Democratic and Republican legislators joined with conservation, consumer, business, and Maine ratepayers to voice strong support of 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."](#)

The hearing before the Legislature's Energy, Utilities and Technology Committee considered new legislation that would establish a nonprofit, consumer-owned utility: [the Pine Tree Power Company](#).

Speakers described the urgent need to rebuild Maine's failing utility infrastructure and create a consumer-owned utility that is dedicated to working on behalf of Maine people, to replace profit-driven CMP and Versant, which serve foreign boardrooms and focus on sending profits to distant shareholders. One-third of Americans now get their electricity from consumer-owned utilities and there are nine existing COUs in Maine. These utilities generally deliver lower cost and more reliable electricity.

[LD 1708](#) is a carefully crafted, [bipartisan measure](#) that would let Maine people vote to create a nonprofit, consumer-owned utility dedicated to providing Mainers with lower cost, locally-controlled, more reliable, cleaner electricity. It is the result of three years of research and refinement by the Legislature.

Maine endures the [worst and longest outages in the nation](#), and the [10th highest rates](#) in the nation. Ratepayers send \$150-\$325 million per year of our Maine money to the owners of

CMP / Avangrid / Iberdrola, and millions more to the owners of Versant. Versant is also [Maine's most expensive](#) mainland utility, and it now [seeks](#) a 25.4% rate hike.

Maine's profit-driven utilities - CMP and Versant - also rank at the bottom of the entire nation for customer satisfaction, according to [J.D. Power's authoritative survey](#) of U.S. customer satisfaction for all large and mid sized utilities. CMP is ranked worst of all 142 utilities ranked, and Versant third worst.

You can learn more about LD 1708 at [ourpowermaine.org](#). You can also listen to this [interview](#) with cosponsor Rep. Nathan Carlow (R-Buxton), and watch this [speech](#) by the bill's lead cosponsor, Senator Rick Bennett (R-Oxford).

Testimony in support came from a wide range of groups, small businesses and private citizens, and dramatically outnumbered testimony in opposition. <http://legislature.maine.gov/ctl/EUT/05-20-2021?panel=0&time=1&sortdir=0&sortby=4>

Sponsors

Presented by Representative BERRY (D-Bowdoinham). Cosponsored by Senator BENNETT (R-Oxford) and Representatives: CARLOW (R-Buxton), GROHOSKI (D- Ellsworth), NEWELL (Passamaquoddy Tribe), POIRIER (R-Skowhegan), Senators: BRENNER (D-Cumberland), President JACKSON (D-Aroostook), WOODSOME (R-York).

"I support Pine Tree Power because Maine people want and deserve more affordable, reliable and cleaner electricity," says **Rep. Nicole Grohoski**, (D-Ellsworth), a member of the legislature's utilities committee. "Maine's for-profit, investor-owned utilities -- CMP and Versant -- are charging Maine households 58% more than our consumer-owned utilities. That's right, 58% more. In fact, if CMP and Versant charged the same average rate as our consumer-owned utilities, Mainers would save \$155 million/year. Pine Tree Power will help us capture these funds for the benefit of Maine people, instead of hemorrhaging profits to governments and shareholders in other parts of the world."

"Electricity is the lifeblood of Maine homes and businesses, and it is becoming more important every day," says **Senator Rick Bennett** (R, Oxford), who formerly served as Senate President. "Right now, foreign governments and foreign corporations own Maine's major utility monopolies. This ownership model has been a disaster, leaving Maine with the most outages, the longest outages, the worst customer service, and among the highest rates in the country. Working together, we can do better and establish Pine Tree Power, a consumer-owned non-profit, managed on behalf of Mainers and accountable only to us."

"Electricity is central to the quality of life and future of Maine people and businesses," says **Rep. Nathan Carlow** (R-Buxton), who serves on the legislature's utilities and is the youngest member of the Maine legislature. "Young Mainers, my contemporaries, will live with the decisions we make today. The facts are clear: investor-owned utilities are not meeting the needs of the Maine people, and the legislation we're proposing will not only strengthen our grid, but it will also lower rates, advance Maine's carbon emission goals, and make Maine people the primary decision makers in our electric future. These are the reasons why I am working collaboratively with other legislators to create Pine Tree Power, a Maine consumer-owned utility working only for Maine, not Spain, not Calgary, and not profit-seeking investors in other parts of the world."

“Consumer-owned utilities like the proposed Pine Tree Power Company are a tried-and-true way to deliver locally-controlled, reliable power at a lower cost to utility customers” says **Sharon A Staz**, who served as General Manager of Kennebunk Light and Power District from 1998-2015. “Consumer-owned utilities already serve 97 Maine towns, from Calais to Kennebunk and they’ve proven themselves nation-wide, bringing benefits to 1 in 3 Americans -- from downeast Maine to Nebraska, Florida, and California. Their customers spend fewer than half as many minutes each year in the dark, pay lower rates, and are far more likely to approve of their utility. And when it comes to customer satisfaction, CMP is the worst and Versant is the third worst utility in the nation. And guess what? The same surveys show that 11 of the 12 top-rated utilities are consumer-owned.”

“Maine’s current utility structure is the largest obstacle we face in achieving the state’s climate goals,” says **Vaughan Woodruff**, Pittsfield, founder and former CEO of Insource Renewables and past chair of Maine’s solar industry trade group. “While CMP claims to be partners in our clean energy transition, they have consistently fought efforts to expand the development of solar and have failed to provide us with the grid we deserve. The Pine Tree Power Company will restore democracy to our energy sector and provide Mainers with the only utility structure in the U.S. that has demonstrated the ability to deliver 100% clean energy to its customers – consumer ownership.”

“Today, the people of Maine rise to assert our power, and our independence. Our new bill, “An Act to Create the Pine Tree Power Company,” will allow us to control our own money and our own energy destiny -- to advance fast and fairly toward our own clean energy and connectivity future,” says **Rep. Seth Berry**, (D-Bowdoinham), House Chair of the Energy, Utilities and Technology Committee, past House Majority Leader, and Founder of the Legislative Broadband Caucus.

Bill Summary (per state house nonpartisan legislative staff):

This bill creates the Pine Tree Power Company, a privately operated, nonprofit, consumer-owned utility controlled by an elected board. The company's purposes are to provide for its customer-owners in this State reliable, affordable electric transmission and distribution services and to help the State meet its climate, energy and connectivity goals in the most rapid and affordable manner possible.

The Pine Tree Power Company is not permitted to use general obligation bonds or tax dollars of the State. The company finances itself by issuing debt against its future revenues to purchase the facilities of investor-owned electric transmission and distribution utilities in the State. The fair market value of the acquisition is either negotiated or determined by a refereed process. The Pine Tree Power Company Board contracts a nongovernmental team to operate the facilities, and the operations team is required to retain all workers of the purchased utilities.

The company is required to make payments equivalent to property taxes to municipalities. The company is subject to ratemaking and other oversight by the Public Utilities Commission and is required to administer programs for net energy billing, nonwires alternatives, supply procurement and low-income assistance programs.

The company is governed by a board of 7 voting members, each elected to represent 5 State Senate districts, as well as 4 expert advisory members. The board is subject to freedom of access laws and to laws preventing conflicts of interest.

The bill also directs the Public Utilities Commission by January 1, 2024 to find a transmission and distribution utility unfit to serve and to direct the sale of the utility if within the previous 5 years the utility has been found to have been rated the lowest for customer satisfaction, has reported reliability in the lowest decile of utilities of a similar size in the country or has

charged its customers residential delivery rates in the highest decile among utilities of a similar size in the country.

This bill requires that, before the Act becomes effective, the Act must be submitted to the legal voters of the State at a statewide election held in the month of November following passage of this Act in order to allow the legal voters of the State to vote on the creation of the Pine Tree Power Company.

[Our Power](#) is a coalition of Maine ratepayers, business leaders, energy experts, conservationists, and others committed to putting the Pine Tree State's energy future in the hands of Mainers.

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What people are saying about the Pine Tree Power Company Bill

Faith Woodman, Bath, Maine Unitarian Universalist State Advocacy Network

"I speak for many Mainers when I say I am fed up with high electricity costs, power outages, internet loss, incompetence and lack of accountability. But most of all, I fear that Maine will not convert to an all-electric economy and reach our critical climate goals, because we rely on two costly, inept foreign-owned companies to provide electricity to the majority of Mainers."

William Dunn, Jr., Yarmouth, President, Sunset Point LLC, 50 years of experience in the electric utility industry

"Maine has the worst electricity reliability in the whole nation. [...] This is not because Maine has lots of trees and bad weather. Even in New England, Mainers experienced twice the outage minutes as the next highest State, Vermont, and many more individual outages than every other State."

"The time has come for Maine to relinquish its lamentable title as the State with the least reliable electricity supply and lowest customer satisfaction."

John Clark, Linneus, Retired General Manager, Houlton Water Company and electric utility, 1984-2017

"HWC is a consumer-owned utility that efficiently provides reliable low cost electric, water and wastewater services to the town of Houlton and several surrounding communities. HWC is governed by a six member board of directors elected by the citizens of Houlton. The directors set policy and retain the services of a general manager to recommend and implement policy and run the day to day operations of the utility. With the assistance of many competent and dedicated personnel HWC has achieved recognized success in all areas of the utility business.

"Consumer-owned utilities have only customers to answer to and satisfy. Investor-owned utilities must be concerned with providing increased stockholder equity, sometimes to the disadvantage of customers. Consumer-owned utilities do not have that inherent conflict. We focus on the customer. Not once in my fourteen years working as a project engineer for an investor owned electric utility did I witness my superiors being concerned about the welfare of customers. Their mantra was always about making additional profit for stockholders."

Matt Cannon, Falmouth, Policy Associate Director, Sierra Club Chapter of Maine

“Governed only by its customers and bold climate mission, Pine Tree Power will access capital at half the cost of the IOUs and double the pace of smart investment to support renewables and beneficial electrification. By doing so, it will create jobs and value for Maine people, improve rates and reliability, and cut the cost of pole access for rural broadband.”

Sam May, Portland, Financial analyst and founder of Maine Harvest Federal Credit Union

“Consumer-owned utilities have no shareholders to return high rates for equity, no high-priced corporate bonds, just low cost, secure revenue bonds which are amortized over time and are exempt from Federal income taxes. Maine ratepayers save billions of dollars and own, rather than rent, the grid of the future.”

Sue Inches, North Yarmouth, Senior policy advisor for Governor King and Baldacci administrations. Broadband consultant

“I am focused on how a Consumer-Owned Utility can help us expand and upgrade broadband service to unserved and underserved Maine residents. High speed internet is now a basic service that everyone needs. Access to education, medical services, and for many, employment all depend on reliable broadband service.... Maine can benefit enormously from local control of our electric utilities. A Consumer-Owned Utility would help us meet our climate goals, diversify and grow our economy, expand broadband access, and create the prosperous future we want for our children.”

David Costello, Climate & Clean Energy Program Director, Natural Resources Council of Maine

“NRCM has reached the conclusion that our climate goals and our investor-owned transmission and distribution (T&D) utilities may no longer be compatible....Our electricity systems were designed for conditions that are increasingly irrelevant: centralized power plants converting relatively cheap fossil fuels into electricity – at 40% efficiency...What we need moving forward is much different....We need electric utilities that embrace change and plan for it.

“The best option for Maine going forward, as proposed in LD 1708, would be to establish a statewide consumer-owned utility (COU). A not-for-profit, **not** government run, electric utility, governed by an elected board, regulated by the Public Utilities Commission, and focused intently and transparently on meeting the affordability, reliability, and security needs of its customers and on helping the state achieve its crucial climate, clean energy, and economic development goals.”

Wayne Jortner, Freeport, Attorney specializing in regulated utilities, Senior Counsel, Maine Office of the Public Advocate 1991-2014

“The current system is replete with inefficiency, perverse incentives and power imbalances. Here, we have the opportunity to circumvent the inefficiencies caused by the misalignment of the incentives that are inherent in the government's attempt to regulate large and powerful international corporations. The focus on profits in this monopoly industry inevitably takes the place of things like lower rates, investments in the grid to enhance reliability, and the pursuit of environmentally sustainable policies that benefit all of us. A consumer-owned utility structure would align the incentives of utility managers with the welfare of customers and Maine residents.”

Steve Weems, Brunswick

Executive Director, Solar Energy Association of Maine

"We know from experience that the legal structure of investor-owned utilities creates a responsibility to maximize shareholder wealth, which is a factor in the decades-long poor performance of Maine's two largest electric utilities, which are failing Maine people. This failure includes terrible reliability, poor customer satisfaction, and unnecessarily high rates. Central Maine Power (CMP) and Versant also are serious impediments to achieving Maine's renewable energy goals to do our part to address climate disruption. "Enough is enough." Now is the time to start us on the path to a new, brighter era, by creating a statewide consumer-owned utility."

John Costin, Kennebunk, owner, Sanford custom woodworking business

"I can provide a real side-by-side cost comparison between an investor-owned utility and a consumer-owned utility. Between 2001 and 2017, I operated my woodworking business in Kennebunk with electric power supplied by consumer-owned Kennebunk Light and Power. In 2017, I moved my business to Sanford and became a customer of CMP and realized that CMP charged nearly twice as much per unit of energy.

"It is time for us to support a new consumer-owned utility which will be directly accountable to us ratepayers and can better respond to our power needs. We have seen several consumer-owned utilities operate in Maine, and we have seen that they can provide our businesses and residences with the power we need at a price that doesn't break the bank for the sake of boosting shareholder profits."

Emily Rochford, Burnham, Maine Youth for Climate Justice

"Maine Youth for Climate Justice coalition supports An Act to Create the Pine Tree Power Company. Youth represent only 20 percent of the total population, yet are 100 percent of the future. The decisions you are making today regarding LD 1708 have immensely powerful implications for the future and can be a pivotal point towards a sustainable and resilient Maine for generations to come. A 100% renewable energy future is not possible without a consumer-owned utility. Every community in the United States that has achieved this goal is powered by a consumer-owned utility. Other consumer-owned utilities throughout the U.S. are also decades ahead of Maine in their goals to establish a 100% renewable energy grid. Sustaining an energy grid that can reliably and consistently provide power to the state on a long-term basis cannot be reliant on an outdated and dying industry and its allies."

David Vail, Adams-Catlin Professor of Economics Emeritus, [Bowdoin College](#)

"Pine Tree Power would be an ideal partner for the State in fulfilling its mission to extend fiber to all rural communities. Maine's present investor-owned utilities have a poor record for customer service. Their reliability as a strategic partner is also thrown into question by recent impediments to solar interconnectivity, another much needed grid innovation. At the very least, their foreign owners would require a substantial rate of return on the investments needed to extend fiber optic cable to sparsely populated areas. In contrast, LD 1708 explicitly commits Pine Tree Power to use its poles and other infrastructure to facilitate affordable broadband links to Maine's unserved and underserved areas."

Gordon L. Weil, Harpswell, former Director of Maine Office of Energy Resources, Public Advocate, Maine Commissioner of Business Regulation, President of Weil Consulting Group (electric industry clients including many COUs across US/Canada), Chair, NEPOOL negotiations to create New England Open-Access Transmission System.

“Based on my knowledge and experience, I support LD 1708....Consumer-owned utilities, especially dealing with monopoly services such as transmission and distribution, have operated successfully in the U.S. for about 140 years. They have demonstrated they are competent, efficient, and lower cost than investor owned utilities. Some serve only a few hundred customers and others serve millions...

“Lower rates and greater reliability are sound reasons for the creation of a consumer-owned utility for Maine, except in those areas already served by consumer owned utilities... Let the people decide, relying on objective facts and undeterred by false and threatening IOU arguments.”

Clifford Krolick, Parsonsfield, Sacopee Community Forum

“Faced with a present and future that demands the rapid conversion of our energy sector to beneficial, sustainable, clean, and renewable electrification, CMP has been given more than ample time to prove worthy of this task and has failed us.”

Julie Rosenbach, Sustainability Director, City of South Portland

“The scale and urgency of climate change is now well understood. At our current pace, we will not be able to achieve the level of transformation, innovation, and creativity that is required to meet our clean energy and climate goals. Because the crux of our climate action plans are to drive the majority of our energy use toward beneficial electrification statewide, we need a utility that is cost effective, reliable, forward-thinking, and whose interests and investments are in line with state and municipal clean energy goals. Therefore I urge you to vote in favor of LD 1708”

Adam Zuckerman, Maine People’s Alliance, City of Portland

“According to a class action lawsuit, CMP has overcharged nearly 300,000 Mainers. This year was the third year in a row that CMP ranked worst in the nation in JD Power & Associates’ Customer Satisfaction survey. The survey, measuring “power quality and reliability, corporate citizenship, price, billing and payment, communications, and customer contact,” ranked CMP dead last out of all 88 major utilities in the nation. That’s worse than California’s PG&E, which went into bankruptcy after burning down massive swaths of the state. Think about that. CMP’s performance is so historically abysmal that ratepayers rated CMP worse than a company that caused forest fires that killed 84 people. If that’s not a wakeup call, I don’t know what is. “

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