

**The Maine Heritage Policy Center
Testimony in Opposition to LD 1646
"An Act To Restore Local Ownership and Control of Maine's Power
Delivery Systems"**

Senator Lawrence, Representative Berry and distinguished member of the Committee on Energy, Utilities and Technology, my name is Adam Crepeau and I serve as a policy analyst at The Maine Heritage Policy Center. Thank you for providing me an opportunity to submit testimony in opposition to LD 1646.

The Maine Heritage Policy Center is opposed to this bill because it would create the Maine Power Delivery Authority, a government-owned and operated utility to transmit and distribute power to Mainers. Not only does it create this entity, but it would require the authority to acquire all private transmission and distribution utilities, creating a monopoly over power in the state of Maine. We take issue with this for several reasons.

First and foremost, requiring private entities to sell their property and assets to a public authority is the antithesis to a free-market approach. This bill would protect the Maine Power Delivery Authority from having to compete with private entities that may provide lower rates and better services.

While consumers may have a gripe with investor-owned utility companies in the state, the solution is not to simply create a government-owned monopoly. One of the largest drawbacks with government-owned utilities is the lack of choice for consumers. If another power transmission and distribution company had an inclination to offer their services in Maine, they would not have the opportunity under this legislation. Instead of mandating that a single entity provides power to the state, lawmakers and regulators should be focused on how to attract other providers to stimulate competition and choice in the current market.

Government-owned utilities have illustrated that they are less efficient than privatized utilities.¹ Private firms are “almost always more efficient, more profitable, increase their capital investment spending, and become financially healthier.”² There is no reason why the state of Maine should create a government-run monopoly over the transmission and distribution of power to consumers.

¹https://www.cato.org/publications/tax-budget-bulletin/privatizing-federal-electricity-infrastructure#_idTextAnchor051

²https://www.heartland.org/_template-assets/documents/publications/ssrn-id262311.pdf

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THE MAINE HERITAGE POLICY CENTER

For those reasons, The Maine Heritage Policy Center urges the committee to vote, "Ought Not to Pass" on LD 1646. Thank you.