

[Janet Mills OKs \[\\$500,000\] study](#) that could lead to consumer takeover of CMP, Emera



Gov. Janet Mills signs a bill on June 12, 2019, in her office in Augusta. On July 3, 2019, she signed a bill into law to have the Maine Public Utilities Commission evaluate the feasibility of a proposal to replace Central Maine Power and Emera Maine with a consumer-owned utility.

By [Lori Valigra](#), BDN Staff • July 3, 2019

A proposal to create a [consumer-owned electric utility](#) in Maine moved a step forward Wednesday as Gov. Janet Mills [signed a bill](#) to study the feasibility of the project, which would replace Maine's two largest electric utilities.

The controversial proposal would create the Maine Power Delivery Authority to replace Central Maine Power Co. and Emera Maine. It would be owned and controlled by Maine consumers.

[Only one other U.S. state, Nebraska](#), has a statewide consumer-owned utility to deliver electricity.

The new law requires the Maine Public Utilities Commission, which regulates electric utilities, to conduct a study of the recommendation and submit it to the Legislature's energy committee by Feb. 15, 2020.

Money to fund the study [\$500,000] will come from the commission's reimbursement fund, which derives primarily from fines from the Dig Safe program, Mitchell Tannenbaum, a lawyer for the PUC, told the energy committee in [June](#).

The feasibility study is a quickly conceived compromise to another controversial Berry proposal, [LD 1646](#), which called for the creation of the consumer-owned utility system [in response to frustration](#) over rates, renewable energy policies and ongoing customer service problems at CMP. LD 1646 has been carried over to the next legislative session.

Even as it is under fire, CMP on Monday asked the PUC to [raise its distribution rate](#). The utility's rates and bills are the subjects of a series of [upcoming PUC public hearings](#) in July.

Rep. Seth Berry, D-Bowdoinham, co-chair of the Legislature's energy committee, proposed the legislation. He and others also contend that the profits for CMP and Emera don't stay in Maine. Both companies are owned by foreign parents that are publicly traded.

Emera spokeswoman Judy Long said the utility is concerned about the impact a government takeover would have on its customers.

She said a study is critical to ensure all parties, most importantly customers, are better informed about the significant implications, timelines, costs and complexities of the government power proposal.

"The cost for the people of Maine to purchase the state's two investor-owned utilities could be \$7 billion to \$9 billion, and that doesn't include the costs of a new government power bureaucracy," she wrote in an email. "This bill does not guarantee more reliable service or lower costs for Maine customers.

"Maine has a strong regulatory framework to protect customers. If any utility fails to meet the expectations of its customers and its regulator, it can and should be held accountable," she said.

Long said Emera Maine is looking forward to participating actively in the study process. She cited a [recent study in Hawaii](#) examining the same issues found customers may pay higher rates if the state moves to a different ownership model.

CMP spokeswoman Catharine Hartnett said the PUC should conduct the study.

"Although our company is not for sale, CMP believes the PUC is the proper organization to undertake the feasibility study of the many complex business and infrastructure issues surrounding power delivery in Maine," she said.

The new law says the PUC study must include an analysis of the short- and long-term costs and benefits of the proposal. It also must examine the legal, regulatory, technical, financial and operational issues related to the proposal and its implementation.

It must assess the anticipated impacts, both positive and negative, of the proposal on the state. That includes how it would affect electricity rates, utility employees and ratepayers.

And it must develop alternatives or amendments to LD 1646 to address any obstacles identified by the study.

The PUC is to hire an independent consultant with relevant expertise to conduct the study.

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- The governor is willing to spend \$500,000 on this study, but would not spend a paltry \$25,000 to validate the I-395/Route 9 connector project, which is heavily flawed and controversial.