

Lawmakers and supporters want public, non-profit to take over utility business

Rep. Seth Berry (D-Bowdoinham), who has been one of the biggest critics of Central Maine Power, wants the state to create a consumer-owned electric utility and force CMP and Emera Maine to sell out.

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Published: 9:42 PM EDT May 14, 2019

AUGUSTA, Maine — Maine legislators are being asked to make a big and controversial change to Maine's electricity system.

Rep. Seth Berry (D-Bowdoinham), who has been one of the biggest critics of Central Maine Power, wants the state to create a consumer-owned electric utility and force CMP and Emera Maine to sell out.

His proposal would create the Maine Power Delivery Authority, which Berry says would borrow the billions of dollars needed to buy the two companies, and then operate the utility as a non-profit business.

Berry says the consumer-owned utility would be able to borrow money at a lower rate than either of the current for-profit utilities, and the lack of a corporate profit motive would allow the Authority to significantly lower the cost of delivering electricity.

Under Berry's bill, the utilities, which are state-regulated monopolies, would be required to sell out to the new Authority.

"They would be paid at fair market value, and then we would have an authority to be financed at much lower interest rates. When this happened in Long Island in 1998, rates went down 20 percent. We could do this in Maine," Berry said.

Opponents, including CMP and Emera Maine, say they don't want to sell and that there is no guarantee consumers would benefit.

"There's no guarantee if they were to buy CMP and Emera Maine into this power delivery authority -- no guarantee of lower rates or more reliable service," said Mike Herrin, President of Emera Maine, which is in the process of being sold to a company from Calgary in Canada.

CMP spokeswoman Catherine Hartnett also said the bill raises many potential problems.

"CMP is not for sale right now," Hartnett told NEWS CENTER Maine. "And we have seen other examples in other states where these transactions drag out for a dozen years. We don't think Maine people deserve that."

But some of Maine's largest consumers of electricity say major change in the state's system is needed and are so far neither supporting nor opposing Berry's proposal.

Tony Buxton, attorney for the Industrial Energy Consumers, says Maine's high prices are a problem.

"This bill may or may not be ready for prime time," Buxton said, "But without question, the structure of utilities and energy delivery in Maine is not working for any consumers at all."

The utility companies say the state may not have the right to force them out of business. But Rep. Berry says CMP and Emera are monopolies regulated by the state and that it has the right to make them sell.

Several legislators say they expect the public utility bill will be sent to a study group, so it can be looked at again next year.