



[NOTE: The energy subsidies reflected in this chart fall into five categories: 1) Direct expenditures to producers or consumers; 2) Tax expenditures; 3) Research and development; 4) Federal electricity programs supporting federal and rural utilities; and 5) Loans and loan guarantees.]

BACKGROUND

Currently, two-thirds of Maine’s electricity comes from renewable sources such as hydropower and biomass. However, these clean sources do not receive remotely close to the federal subsidy dollars that renewables such as solar and wind receive, for the amount of energy they produce. Wind and solar are also not nearly as efficient as hydropower and biomass. This preference for inefficient energy forms is one cause of the state’s high electricity costs. In a 2016 address, Governor LePage confronted this costly problem and pointed to how policy would be improved: “Electricity producers should be paid market prices for the power they generate.”

In addition, the Public Utilities Commission’s decision to compensate owners of solar panels for the panels’ installation – as well as for the transmission and distribution of excess energy they may generate – took Maine even further away from a fair energy market. These costs then have to be paid by others. As Governor LePage said, “The PUC is shifting the burden away from those who have the resources to afford roof-top solar installations and onto ratepayers, including low-income and elderly customers.”