The 127th Legislature of the State of Maine
State House
Augusta, ME

Dear Honorable Members of the 127th Legislature:

Under the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing LD 1398, "An Act to Reduce Electric Rates for Maine Businesses."

Americans have grown skeptical of cap-and-trade programs. Their skepticism is rooted in concern that instead of reducing pollution, the program is used to tax ratepayers and grow government programs. Regrettably, LD 1398 continues the liberal cap and tax march.

When the Regional Greenhouse Gas Initiative was originally enacted in 2009, businesses objected that the bill would lead to higher electric rates. As a result, the Legislature included a provision that if the fee on carbon increased to above $5 per ton, the additional funding would be returned to ratepayers. Carbon prices have been sold consistently above $5 per ton since 2014, so have businesses received any relief from higher electric bills? Of course not – the Legislature voted to remove this spending ceiling in 2013. Efficiency Maine Trust, the organization with little legislative or administrative oversight, spends the additional money.

I introduced LD 1398 to restore relief for ratepayers and return $30 million back to ratepayers. Now, the bill arrives on my desk changed beyond recognition. The bill is complex, confusing, and worst of all does virtually nothing to reduce the costs of carbon fees. It suffers the same fate that afflicts most energy bills in Maine. Environmental groups try to spend more money and lobbyists carve out provisions for the biggest businesses. A compromise is made between these interests and the bill sails through the Legislature. All the while, fees on electric bills grow. The American people are rightfully skeptical of cap and tax programs.