



**Testimony Neither for Nor Against LD 325 (as amended)
An Act To Require Transparency in Transmission and Distribution Utility Advertising Expenditures
February 16, 2023**

Senator Lawrence, Representative Zeigler, and members of the committee, my name is James Cote and I am here today on behalf of Versant Power neither for nor against the amendment to LD 325, retitled as “An Act To Require Transparency in Transmission and Distribution Utility Advertising Expenditures”.

This amendment requires a transmission and distribution utility to file an annual report with the Public Utilities Commission describing the advertising and political activities of any “related entity” in the State or targeting Maine residents.

A few things to consider:

First, a “related entity” is defined in the amendment as:

- A) directly controls or is controlled by a transmission and distribution utility;
- B) substantially owns or is substantially owned by a transmission and distribution utility or;
- C) is a membership organizations of which the transmission and distribution utility is a member.

In regard to A and B, the Public Utilities Commission and Maine Ethics Commission already have significant jurisdiction over political activities and advertising. Their jurisdiction, governing statute and rules already require comprehensive reporting and transparency around who is funding these activities, at what level they are being funded, and what these activities are- in a timely manner. For your convenience, I have attached both Chapter 83 of the Public Utilities Commission and lobbying and campaign requirements of the Maine Ethics Commission.

Lastly, in regard to “C”, we have some concern about obligating membership organizations that transmission and distribution utilities are members of to producing material and speech to the Public Utilities Commission that may not be relevant to the commission’s charge. Versant Power is a member of a number of membership organizations, including very local organizations like chambers of commerce and economic development organizations, as well as other charitable organizations. Would this part of the definition obligate the transmission and distribution utility to obtain all materials that these organizations produce for Maine audiences and provide to them to the commission, regardless of their relevance to the commission’s statutory obligations? Again, we are unsure of what purpose this would serve, and believe that in many ways it could hinder a transmission and distribution utility, or other “related entity’s” ability to have a voice in important discussions and policy matters.

Additionally, we thought it might be helpful to illustrate how Versant Power approaches advertising and communicating with our customers here in Maine.



First, Versant Power is permitted by the PUC to use media, including videos, audio, exhibits, bill inserts, brochures and other printed material, to communicate certain messages to customers and the general public, including how to conserve energy, lower electricity costs and access critical services, as well as public safety.

In recent years, customers have contributed less than one dollar per customer per year for such advertising related directly to Versant's core services and responsibilities.

Any advertising that may be considered promotional, political or institutional, as well as any community investment or charitable giving, is paid for by Versant Power's shareholder, meaning customers do not pay for any of these communications.

When ENMAX acquired what was then Emera Maine, we worked with a Maine-based firm to rebrand and become what is now Versant Power. Use of various media was necessary to ensure customers were aware of the transition and knew who to call, where to go online or from whom to open correspondence concerning their essential electric service. ENMAX paid all rebranding costs and has supported modest additional expenditures to continue to ensure customers understand Versant Power's role as a service provider in their communities.

Additionally, it is important to point out that Chapter 83 of the Public Utilities Commission's rules requires all public utilities to file annual reports describing their political activities, institutional advertising, promotional advertising, and promotional allowances; requires detailed and separate accounting for expenses associated with political activities, institutional advertising, promotional advertising, and promotional allowances; prohibits any electric or gas utility from providing promotional allowances without prior Commission approval; and establishes Commission policy and ratemaking treatment for expenses associated with political activities, institutional advertising, promotional advertising, and promotional allowances.

In short, the Commission aggressively monitors this type of spending and enforces strict rules that ensure customers do not pay for activity unrelated to the core services that they provide.

Versant Power believes clear and direct communication with our customers is critical to helping them understand their options and make informed energy decisions. Limited ratepayer funding currently exists for certain and clear purposes relating directly to core utility functions. All other advertising and communications are paid for entirely by shareholders. We believe such an arrangement protects ratepayers from bearing unnecessary expense.

Thank you for your consideration and we would be pleased to bring more information to the committee upon your request.