

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-FIVE

—
S.P. 694 - L.D. 1792

**An Act to Ensure Fair and Equitable Recovery of Post-restructuring
Stranded Costs**

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, electricity costs are negatively impacting many Maine electricity consumers; and

Whereas, the costs associated with the State's net energy billing programs are having a disproportionate impact on businesses in the State that are vital to economic growth; and

Whereas, the rate design adopted by the Public Utilities Commission by order dated April 30, 2025 will not provide sufficient relief for Maine's large and industrial customers; and

Whereas, it is the policy of the State that the commission advance through its decisions and orders beneficial electrification in order to achieve the emission reduction and renewable energy goals of the State, reduce energy costs to consumers and provide economic and climate benefits for all ratepayers pursuant to the Beneficial Electrification Policy Act, enacted June 26, 2023; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 35-A MRSA §3209, sub-§1-A is enacted to read:

1-A. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Beneficial electrification" has the same meaning as in section 10102, subsection 3-A.

B. "Intermediate commercial customer" means a nonresidential customer that meets the availability criteria to take service under a core customer class of a transmission and distribution utility that includes a demand charge and that is not classified as a medium commercial customer or a large commercial customer.

C. "Large commercial customer" means a nonresidential customer that meets the availability criteria to take service under a core customer class of a transmission and distribution utility in which a customer takes electrical service from the utility at a subtransmission or transmission voltage or in which a customer has a maximum demand of at least 500 kilowatts as defined under the terms and conditions of the transmission and distribution utility.

D. "Lighting customer" means a nonresidential customer whose account for electricity service is limited to street or area lighting.

E. "Medium commercial customer" has the same meaning as in section 3106, subsection 1, paragraph B.

F. "Post-restructuring stranded costs" means costs allocated to a transmission and distribution utility pursuant to section 3209-C, subsection 2, paragraph B and pursuant to section 3210-F, subsection 3.

G. "Residential customer" has the same meaning as in section 3106, subsection 1, paragraph C.

H. "Small commercial customer" has the same meaning as in section 3106, subsection 1, paragraph D.

Sec. 2. 35-A MRSA §3209, sub-§5 is enacted to read:

5. Post-restructuring stranded costs. No later than October 1, 2025, each investor-owned transmission and distribution utility shall recover post-restructuring stranded costs in accordance with the rate design established by the commission in accordance with this subsection. For investor-owned transmission and distribution utility rates applicable prior to July 1, 2028, the commission shall establish a rate design for each investor-owned transmission and distribution utility in the State for the recovery of post-restructuring stranded costs that:

A. Aggregates the customers of investor-owned transmission and distribution utilities in the State on a statewide basis into groups of large commercial customers, medium commercial customers, intermediate commercial customers, small commercial customers, lighting customers and residential customers;

B. Notwithstanding section 3209-C, subsection 2, paragraph B and section 3210-F, subsection 3, allocates the combined post-restructuring stranded costs, as determined by the commission, for investor-owned transmission and distribution utilities in the State to each customer class group described in paragraph A, based on each group's pro rata share of statewide post-restructuring stranded costs based on total retail kilowatt-hour energy sales to those customers;

C. For any rate design established by the commission to apply after September 30, 2025 and before July 1, 2028, increases the cost allocation to residential customers, small commercial customers and medium commercial customer groups as calculated in

accordance with paragraph B by 10% and reduces the cost allocation to the large commercial customer class group by an equal dollar amount; and

D. Requires each investor-owned transmission and distribution utility, prior to October 1, 2025, to calculate its post-restructuring stranded cost rates, including any annual reconciliation of costs, by applying a rate design that:

(1) For residential customers and small commercial customers, is recovered 100% through a fixed monthly charge;

(2) For medium commercial customers, is recovered 50% through a fixed monthly charge and 50% through a volumetric per kilowatt-hour charge;

(3) For intermediate commercial customers and large commercial customers, is recovered 85% through a fixed monthly charge and 15% through a volumetric per kilowatt-hour charge; and

(4) For lighting customers, is recovered 100% through a volumetric per kilowatt-hour charge.

Sec. 3. 35-A MRSA §3209, sub-§6 is enacted to read:

6. Post-restructuring stranded cost allocation; rate design. For post-restructuring stranded cost allocations and rate designs applicable on or after July 1, 2028, the commission shall by order establish such cost allocations and rate designs applicable for the following 3-year period, subject to annual and other necessary reconciliations, and ensure the promotion of beneficial electrification in every customer class.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.