



# SIERRA CLUB

## MAINE CHAPTER

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To: Members of the Joint Committee on Committee on Energy, Utilities and  
Technology  
From: Jacob Stern  
Date: March 16, 2023  
Re: **Testimony in Support of L.D. 542: *An Act to Comprehensively and Equitably Reform Electricity Rates***

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Senator Lawrence, Representative Zeigler, and the members of the Joint Committee on Energy, Utilities, and Technology,

I am submitting the following testimony on behalf of Sierra Club Maine, representing over 22,000 supporters and members statewide. Founded in 1892, Sierra Club is one of our nation's oldest and largest environmental organizations. We work diligently to amplify the power of our 3.8 million members nation-wide as we work towards combating climate change and promoting a just and sustainable economy. L.D. 542: *An Act to Comprehensively and Equitably Reform Electricity Rates* was originally a concept draft bill, but the sponsor, Representative Runte, has recently proposed an amendment that brings the intended impact of the legislation into clear focus. Sierra Club Maine supports Representative Runte's amendment and urges an "ought to pass as amended" report on L.D. 542.

With electric rates rising across the region and CMP proposing yet another series of rate increases through 2025, we believe it is necessary to seek creative solutions to both save ratepayers money and stay on track to meet Maine's greenhouse gas emission goals. To do so, we must hold our investor-owned utilities to a higher standard. L.D. 542 allows the Public Utilities Commission (PUC) to set performance-based goals for our electricity distribution companies. Creating stronger financial incentives for utilities to increase grid resiliency, strengthen the interconnection of distributed generation resources, reduce peak load, and move away from fossil-fuel based heating and transportation is an excellent tool to accomplish both these aims. Incentivizing reduction of use is a key strategy for lowering costs and should be a primary approach of our utility companies. Additionally, one of the key challenges to building out renewable generation is matching supply and demand so that electricity is available when and where it is needed. A stronger, interconnected grid will be able to onboard more renewables, increasing supply while growing our local economy and creating cost-saving opportunities for consumers.

L.D. 542 also seeks to give additional flexibility to consumers by asking the PUC to study the feasibility of requiring that standard-offer service include a time-of-use (TOU) rate option for all utility customers. As we see it, there are three main benefits to offering TOU rates to all ratepayers: (1) TOU rates give consumers additional options to make their own energy choices, (2) they create opportunities for consumers to save money by taking advantage of the off-peak rates, and (3) they can drive consumer behavior to reduce peak load – reducing the need for dirty, inefficient electricity generators and therefore reducing greenhouse gas emissions in the long run.

The title of this bill suggests a far more significant change to statute than the language itself proposes. The truth is, this legislation seeks to introduce and study a few sensible tweaks to the ratemaking process. While additional legislation may be needed in the future to fully implement the ideas proposed here, we see this bill as a solid step in the right direction – to reduce costs and strengthen our grid over the long term.

Thank you for your time and consideration. Again, we urge a “ought to pass as amended” report on L.D. 542: *An Act to Comprehensively and Equitably Reform Electricity Rates*.

Sincerely,  
Jacob Stern

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Vice Chair, Executive Committee  
Sierra Club Maine Chapter