



Testimony Neither for Nor Against L.D. 186,
“An Act to Clarify the Public Utilities Commission's Authority to
Establish Time-of-use Pricing for Standard-offer Service”

February 6, 2025

Senator Lawrence, Representative Sachs, and Committee Members:

My name is Seth Berry, I am Executive Director of Our Power, and I reside in Bowdoinham. Our Power is a Maine nonprofit advocating statewide for energy democracy. Energy democracy means citizens who are more informed and empowered. Energy democracy also means energy systems that are more community-focused -- fully accountable, affordable and beneficial to Maine’s people and small businesses.

Our Power is neither for nor against this legislation as written. Time of use (TOU) rate design is very complex, and can mean different things to different people. Done wrong, TOU rates will benefit a few at the expense of the many. Done right, they could benefit all of us.

Over 30 states, including Maine, have experimented with TOU rates. A great deal is known. However: To date, Our Power is not aware of a single study supporting TOU rates *except* in instances where those rates are *combined with the use of smart devices*. These devices, such as Level 2 EV chargers or smart devices that turn on water heaters during periods of lower rates, are critical to making smart energy choices.

Our Power does not believe most energy consumers can or will alter their use of energy based on relatively minor, relatively complex rate differences. While most of you on this committee would, and while most participants in PUC proceedings would, too many Mainers would simply pay more. These may include people who work a night shift, seniors who need medical devices at peak hours, single mothers who can only do the laundry in the evening, and so on. This is the danger of wonks like us making policy for people who are not wonks. Things that work in theory do not always work in practice.

Before rushing into universal TOU rates, Our Power recommends that the PUC first seek to shift load use using smart devices, in collaboration with Efficiency Maine. For instance: Efficiency Maine could amend its heat pump water heater program to be sure devices sold are optimized for off-peak charging. Likewise, Efficiency Maine could offer discounted



Level 2 chargers for new EV owners, likewise optimized for off-peak charging. These kinds of smart devices exist. With or without TOU rates, they work. And with or without TOU rates, they take the guesswork and behavioral engineering out of the equation.

If the Committee does wish to support this legislation, Our Power urges the committee to amend the bill to require that TOU rates made by the Commission be

- 1) opt-in, not opt-out,
- 2) cost-effective for all ratepayers, not just participants, and
- 3) promoted through evidence-based programs such as those administered by Efficiency Maine.

Within these parameters, there is a greater likelihood of success. TOU rates are outstanding in theory, but may not work as intended in practice. Only if TOU is done right can it be a win-win, with more equitable results that save more money both for participants and for the rest of us, and reduce more pollution.

Thank you and I am happy to answer any questions you may have.