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**Testimony in Opposition: LD 301, An Act to Allow the Public Utilities Commission to Establish Performance-Based Metrics and Rate-Adjustment Mechanisms for a Public Utility in Any Proceeding.**

Greetings Senator Lawrence, Representative Sachs, and honorable members of the Joint Standing Committee on Energy, Utilities and Technology. My name is Alf Anderson, and I am an Associate State Director for Advocacy and Outreach for AARP Maine. AARP is a non-profit, non-partisan social mission organization with more than 200,000 members across the state. We work on a range of energy issues at the state level. The core principles we approach this work with include affordability, reliability, and accountability.

AARP opposes this bill because, in our experience, performance based ratemaking (PBR) is very complicated, difficult to implement, and does not offer benefits to customers. Furthermore, the bill does not define PBR, which is another problem since we've found that it means different things to different people.

This bill would allow the Commission to ignore the specific statutory requirements currently in law governing the development of and implementation of performance metrics and rate adjustment mechanisms. This bill gives the Commission carte blanche to adopt any "performance based metrics" or "rate adjustment mechanisms" in any proceeding. The current law in 35-A MRSA Section 4706 (3) states:

(3) Just and reasonable rates. In determining the reasonableness of any rate-adjustment mechanism established under this subchapter, the commission shall apply the standards of section 301 to ensure that the rates resulting from the implementation of a rate-adjustment mechanism are just and reasonable. Prior to the adoption of a new or replacement alternative rate plan or renewal of any existing alternative rate plan, the commission shall, in order to ensure that rates at the starting point of the plan are just and reasonable, conduct a revenue requirement and earnings review pursuant to the standards of [section 301](#). In conducting such a review under this subsection, the commission, at its discretion, may conduct the review in a manner designed to minimize the cost

of the review to ratepayers.

It is not clear why the Commission seeks to adopt these ratemaking options in other than an adjudicatory proceeding that is accompanied by the consumer protections reflected in the current law. In our view, the Commission should not be able to rely on a one sentence addition to its general powers to erase the specific requirements that should accompany any alternative rate mechanism that would change rates for essential electricity service without the due process required by a rate case or comparable evidentiary proceeding.

I urge you to consider the already over-burdened electricity ratepayers in Maine and reject this bill. Thank you for the opportunity to provide our views on this important bill.

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