



Senator Mark Lawrence
Representative Melanie Sachs
Joint Committee on Energy, Utilities, and Technology
Legislative Information Office
100 State House Station
Augusta, Maine 04333

May 15, 2025

Testimony re: LD 1792, “An Act Regarding the Energy Policy of the State” from ReVision Energy

Senator Lawrence, Representative Sachs, and Members of the Joint Standing Committee on Energy, Utilities, and Technology:

Founded in Liberty in 2003, ReVision Energy today boasts more than 200 co-owners across the state in our Montville and South Portland locations. As a certified B-Corporation, 100% employee-owned clean energy construction company, we develop, install, and maintain residential, community, and commercial solar, as well as storage, EV charging, and heat pumps. As a solar installer and active participant in Maine’s Net Energy Billing Program in the state we have an acute interest in fair and equitable rate design and recovery of stranded costs. For that reason, we actively supported the Maine Renewable Energy Association’s participation in the docket, 2024-00137. We’d like to make two specific points today in strong opposition to this legislation:

1. Codifying a Stipulation Rejected by the Commission is Dangerous and Unprecedented

The stipulation at hand was rejected by our state’s Public Utilities Commission—the body that has jurisdiction to regulate utility companies and set the rates they can charge for their services. The Commission and its extensive professional staff holds the expertise in this arena, and when considering rate changes opens formal investigative and adjudicatory proceedings that last months, span multiple hearings, briefings, data requests, deliberation, and so on. At the conclusion of such a process, the Commission determines the best course of action. In the case of 2024-00137, the Commission rejected the stipulation at hand.

Should the legislature choose to intervene and mandate the codification of such a stipulation, it would be entirely inappropriate and unprecedented. First off, this body nor its members were parties to the proceeding and thus have not been privy to the arguments and analysis that have occurred in the 343 filings and technical sessions from the previous ten months. To reverse such a decision after a short public hearing is extremely concerning.

Additionally, this opens the door to any party that is not satisfied with the outcome of a rate case to simply come to this body and ask for relief in the codification of specific rates. The legislature then becomes a back stop for every rate case, eroding the role and authority of the Commission and rendering its expertise moot.

2. Approving the Stipulation is Mandating that Residential Ratepayers Subsidize Commercial Ratepayers for the Long Term



To be clear, based on the stranded cost charges in today's electricity rates, adopting the stipulation would be mandating the Commission to shift nearly \$19 Million in costs from large industrial energy consumers to the smaller rate classes every year, resulting in \$46 Million to be recovered from residential, small commercial, and medium commercial customers. The Commission itself said, "Approval of the stipulation would ultimately result in a windfall for the largest customers that consume the most electricity, funded by [smaller classes of customers]." While it is true that the stipulation will help large businesses, it is absolutely essential that this Committee understands just who is subsidizing that "help."

This docket investigated how stranded costs should be allocated—it was not about reducing costs, it was about the fair distribution of them. Alleviating one party will certainly harm another.

While the stories of multiple businesses who have seen massive increases on their bills are extremely compelling, it is important to put them in context. Analysis presented in a continuing investigation into stranded cost rate design (2023-00230) showcased that the largest rate classes, which have seen outsize impacts of the switch to a fixed charge rate design, contain a small number of customers. Six of the largest rate classes across both utility territories serve 130 total customers. About 100 of those customers were found to pay more stranded costs under fixed charge rates than the previous volumetric rates—and the stipulation was an attempt to bring these customers relief.

Instead, the Commission instead opted to institute greater fairness in rate design by moving back to recovering a greater proportion of stranded costs in volumetric charges for larger customer classes—and that includes hundreds if not thousands of other businesses across the state. Importantly, this outcome still creates a positive outcome for many businesses – in fact, it benefits all businesses with below-average energy usage for their rate class. For example, one such customer was quoted discussing a \$6,000 monthly fixed charge for stranded costs. Based on their total usage, under a volumetric rate design, they would instead pay an amount more like a \$695 monthly charge—a rate reduction of 90%. Again—the Commission's decision is good for many businesses.

The Commission was very clear that the stipulation was a wealth transfer, and that the solution did not reflect actual cost causation, violating long-standing principles of rate design. The Commission says it "cannot find that the stipulated result is in the public interest, especially with respect to non-LIAP residential, small, and medium commercial customers" and the stipulation would result in "a massive cost shift that could not have been anticipated by residential, small commercial and medium commercial customers and is ultimately unjust and unreasonable."

Even more, the stipulation not only requires residential and small commercial customers to subsidize large industrial customers, but it does so in a fixed charge (not a volumetric charge). This means you're not only saying these rate classes should pay for industrial customers, but that if you are a low usage customer, you will be penalized and hit even more inequitably. In the current Public Advocate's confirmation hearing, Representative McIntyre inquired about a customer utilizing 0 kWh a month in energy but still being charged for the recovery of stranded costs. To be clear, the stipulation will not alleviate this issue, and in fact, it will make it worse. Such customers will still be charged in fixed rates, and the



stipulation requires them to pay even more to cover the costs of the highest energy users in our state.

Some may argue the stipulation is helpful as it alleviates the burden of stranded costs on LIAP participants. The Commission addresses this in its final order: “the stipulation appears to acknowledge that the shifting of costs from the large classes to the smaller classes will burden those least able to afford it. To alleviate this burden, the stipulation creates millions in new stranded costs that are to be paid for by non-LIAP qualifying residential, small commercial, and medium commercial customers. Large customers are spared these new costs.” To be clear, the stipulation proposes forcing smaller customers to pay for stranded costs otherwise covered by LIAP participants and exempts large customers from their assistance.

We also respectfully point to the fact that the Commission has an open proceeding on this issue investigating creative funding solutions, including a three-hour workshop scheduled for this morning. That docket was clearly noticed, encouraged the right advocates to intervene, and is in motion. Mandating the adoption of the stipulation could potentially run counter to and thus hinder its outcomes.

3. Stranded Costs

It is also critical for the Committee to understand that the quantity of stranded costs will only increase, and that stranded costs encompass many different items. Stranded costs have become the default mechanism for recovering costs of public policy programs in rates, and future years will likely see higher costs from the New England Clean Energy Connect and offshore wind procurements added to current charges NEB and existing long-term contracts, amongst others. Adopting the stipulation changes the methodology for who pays for stranded costs. While some may argue that an increased 18% on the backs of small ratepayers is not significant, this line item will continue to rise, and the stipulation ensures that small customers will continue to subsidize industrial users at increasing rates. The cost burden of projects like the Clean Energy Connect will go onto the backs of residential ratepayers.

In summary, we believe passage of LD 1792 would be entirely unprecedented and open the flood gates for any and all party dissatisfied with the outcome in a rate case the permission to seek remedy from this body. Even more, we agree with the Commission’s sentiment that such a stipulation is both unjust and inequitable as it requires small rate classes to subsidize large industrial users. For these reasons, we ask you to reject LD 1792. Thank you.

Sincerely,

/s/ Lindsay Bourgoine

Lindsay Bourgoine
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ReVision Energy