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May 15, 2025

Testimony in Opposition: LD 1792, An Act Regarding the Energy Policy of the State

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 Maine supports reasonable efforts to reduce the costs and bill impacts of the Net Energy Billing (NEB) policy adopted in 2019. However, this bill carries significant and troubling aspects.

First, the bill seeks to overturn a Commission order and mandate that the Commission adopt a stipulation that it has rejected. This is not an approach that AARP supports.

Second, the bill and its justification fails to recognize that one of the key reasons for rejecting the stipulation is that it would have transferred NEB costs from larger customers to smaller residential and small commercial customers. As stated in the Order adopted in Docket No. 2024-00137 issued on April 30, 2025:

The Stipulation reallocates stranded costs by shifting costs from larger to smaller customer classes. At present, stranded costs are allocated across utilities and classes based on kWh usage. The Stipulation shifts a portion of stranded costs away from large C&I rate classes to residential and small & medium commercial rate classes. The outcome of all cost shifts in this Stipulation is an increase in stranded costs for residential, small and medium commercial customers of 18%, and a decrease in costs for large C&I customers of approximately 54% for CMP, 28% for Versant's Bangor Hydro District (BHD), and 75% for Versant's Maine Public District (MPD). Stipulation Att. A. Assuming a statewide stranded cost revenue requirement of \$182 million, the total cost shift from larger classes to smaller customer classes in the Stipulation is approximately \$18.9 million per year. This would entail a cost shift of more than 10% of all post-restructuring stranded costs from larger to smaller customers.

This result was not one contemplated by the initiation of this investigation since its stated purpose was to resolve “intraclass” rate design for stranded costs and NEB subsidies.

We urge the Committee not to adopt a law that would only increase costs for residential customers for NEB subsidies, as it would exacerbate the challenges being faced by already burdened ratepayers.

Thank you for the opportunity to provide our views on this important bill. If I can answer any questions or provide any further information, you can reach me at aanderson@aarpmaine.org or 207.330.1147.

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