

Testimony In Support
LD 2038, *An Act to Require Maine Transmission and Distribution Utility Participation in a Regional Transmission Organization*
January 22, 2026

Senator Lawrence, Representative Sachs and distinguished members of the Joint Standing Committee on Energy, Utilities and Technology,

I'm here on behalf of the Conservation Law Foundation as well as the undersigned organizations who all seek to convey our strong support for LD 2038, *An Act to Require Maine Transmission and Distribution Utility Participation in a Regional Transmission Organization Establish*. Simply put, enacting this legislation will save Maine ratepayers more than \$2 million dollars without affecting the reliability or nature of the electricity they use.

This savings would be achieved by eliminating a 0.5% equity bonus awarded to Maine's two largest utilities, Central Maine Power and Versant, for "voluntarily" being a member of our regional transmission organization ("RTO"), ISO-New England. The basis for providing that incentive – to increase membership in RTOs – is no longer necessary, as Versant and CMP are longstanding members of ISO-New England and that is highly unlikely to change, with or without the bonus. Recent court cases in Ohio and California have made clear that if a utility is required by state law to be a member of the applicable RTO, the bonus on equity for "voluntarily" joining the RTO is no longer available.

If this bill is enacted, it is our understanding that the Office of the Public Advocate will then petition the Federal Energy Regulatory Commission during the next annual transmission ratemaking proceeding to remove the return on equity bonus, saving Maine ratepayers \$2 million. And it is worth noting, as the Public Advocate does in her testimony, that if other New England states follow Maine's lead, it could save Maine ratepayers an additional \$5 million, as transmission costs are largely pooled across the New England states.

We appreciate Representative Kessler's and the Public Advocate's leadership and focus on the issue of affordability and urge the Committee to move this bill along expeditiously for the benefit of Maine ratepayers.

Thank you for the opportunity to testify in support of LD 2038.

Conservation Law Foundation
Maine Audubon
Maine Conservation Voters
Natural Resources Council of Maine
Union of Concerned Scientists
Sierra Club Maine