Natural Resources Council of Maine

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Testimony in Support of LD 2140

Resolve, to Pilot a Behavioral Demand Response Program to Lower Electric Bills and Improve Grid Reliability

By Rebecca Schultz,
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Senator Lawrence, Representative Sachs, and members of the Joint Committee on Energy, Utilities and Technology, my name is Rebecca Schultz. I am a Senior Advocate for Climate and Clean Energy at the Natural Resources Council of Maine (NRCM). NRCM is Maine's leading nonpartisan environmental advocacy organization with nearly 20,000 members and supporters statewide.

I am submitting this testimony in **Support of the Sponsor's Amendment to LD 2140** (proposed as of February 16, 2026), with suggestions to improve the bill for your consideration. **Suggested changes include the following:**

- The overall emphasis of the resolve should focus on the development of an education and outreach campaign to support existing "time-of-use" (TOU) rates offered by the investor-owned utilities (IOUs). These existing rates for the residential and small business class are reasonably well-designed to reduce peak and benefit ratepayers, yet suffer from persistent low enrollment.
- Collaboration as set forth by Section 4 should include more robust requirements for the utilities, including requirements for coordinated implementation of the outreach and education campaign developed by Efficiency Maine Trust (EMT).
- Collaboration should require a process that includes public participation. Individual Mainers' perspectives as well as those of public interest organizations, such as the numerous organizations engaged in the open proceeding before the Public Utilities Commission (PUC), have crucial insights and expertise to contribute.
- This should not be characterized as a pilot program.

Billions of Dollars in Long-term Savings; Reduced Household Bills

The outreach program envisioned by this resolve intends to help customers take advantage of existing TOU rates offered by Versant and CMP. These rates are designed to incentivize customers to shift their demand for electricity to lower-use, less expensive times of the day, thereby saving money on household electricity bills while reducing rates for all customers through improved efficiency across the transmission and distribution (T&D) system.

TOU rate design is a tried-and-true policy approach to reduce peak demand that can help Maine tap the billions of dollars in savings available to Maine ratepayers through avoided transmission, distribution, capacity, and supply costs over the coming decades.

The New England Independent System Operator found that reducing peak demand would save roughly $10 billion across the region in avoided transmission costs over the next 25 years, with nearly a billion of that going to Maine based on our proportional share of the system.[1] Long-run marginal transmission costs are expected to escalate as the peak grows in the outer years, such that demand reduction through policies like TOU rates becomes increasingly valuable.

Maine's Pathways to 2040 study released last year found that creating a more flexible grid by using tools like TOU rates can help reduce the growth of Maine's local T&D system by 35-55% by 2050, delivering significant savings in the form of avoided distribution costs.[2]

There are yet more savings to be had in avoided generation capacity. Another recent study from the regional grid operator found that if we can shift demand away from evening peak hours—through baseload appliances like dishwashers and dryers and managed EV charging—there's $30-40 billion in savings at stake through reduced build-out costs.[3]

It is worth emphasizing that these long-term embedded savings are all additive, presenting together an indispensable opportunity to keep rates affordable for Maine homes and businesses over a longer-term horizon.

With respect to supply costs, by shifting consumption away from daily and annual peak times, the regional markets rely on more expensive resources less frequently, lowering market clearing prices across the board. These are quantifiable and monetized benefits that work through the markets and are reflected in cost savings for Maine customers through lower supply prices.

Current Rates Are Sufficient to Generate Savings

The PUC has a proceeding underway investigating improvements to Maine's TOU rate offerings, but the current rates are sufficient, and public education and outreach will support any future changes.

CMP's current TOU rate was updated in 2025 and is reasonably well designed to balance a strong and simple price signal, while reflecting high-stress times on the distribution system. It

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[1] https://www.iso-ne.com/static-assets/documents/100008/2024_02_14_pac_2050_transmission_study_final.pdf

[2] https://www.maine.gov/energy/studies-reports-working-groups/current-studies-working-groups/energyplan2040

[3] ISO NE 2024 Economic Study Report finds that shifting 50% of evening baseload to midday hours reduces regional generation capacity build-out costs by 12%, or $18 billion. Shifting half of the region's EV fleet to a managed charging pattern would provide additional cost reductions, reducing build-out costs by almost 8%, or $12 billion. These savings would increase to 15%, or $22 billion if all the region's EV fleet were shifted to managed charging. New England's Evolving Grid The 2024 Economic Study Report, September 15, 2025, p 7, available at https://www.iso-ne.com/static-assets/documents/100027/2024_economic_study_ne_evolving_grid.pdf.

offers customers a lower distribution rate of 7 cents per kWh for all times of the day in exchange for a higher price of 50 cents during a narrow window of 5-9 pm during weekdays.[4]

CMP estimates that if a customer can use at least 86% of their electricity off-peak, by delaying the dishwasher and doing laundry during the day and over weekend for example, a customer can reduce their electricity bills.[5]

Pitiful Enrollment Despite Efficiency and Affordability Benefits

Despite being reasonably well designed and having the potential to reduce peak demand and save money for Maine homes and businesses, the IOU's TOU rates are woefully undersubscribed. As of October 2025, there were only 913 customers on the CMP's A-TOU rate.

Over the years little-to-no action has been taken to promote these rates. There are no calculators or other tools to help customers easily understand their electricity usage patterns and the opportunity to save money. The years of proceedings before the PUC on this issue have dug into many critical aspects but have yet to begin to tackle the issue of customer outreach and education.

EMT Is the Right Entity to Do This Work

Experience in other states shows that strong marketing and public relations-style campaigns help ensure high enrollment, high retention and effective peak reductions.

EMT is highly trusted source of information with a strong track record of success in reaching the residential market. For these rates to be successful, messaging and outreach will need to be accurate, clear and consistent in communicating the what, why, whether, and how Maine people can save money. To best service the public, we will need consistency across utilities and state agencies. Outreach and education, including customer calculators, data access and data management tools more generally, will necessarily involve multiple stakeholders beyond the utilities, and should be subject to thorough collaboration and vetting.

The program envisioned by LD 2140 can do this, giving Mainers a way to save money now, while laying a foundation of public awareness that will support any changes that may come out of the PUC's current proceeding.

We therefore urge you to strengthen LD 2140 with the above changes and thank you for your consideration of our comments.

[4] By comparison, standard default service charges a uniform rate of 14 cents regardless of the cost imposed on the T&D system.

[5] https://www.cmpco.com/time-of-use-delivery-rate