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**Testimony of the Maine Public Utilities Commission**

**Neither for Nor Against**

**LD 542, An Act To Comprehensively and Equitably Reform Electricity Rates**

March 16, 2023

Senator Lawrence, Representative Zeigler, and Distinguished Members of the Joint Standing Committee on Energy, Utilities, and Technology (Committee), my name is Deirdre Schneider, testifying neither for nor against the sponsor's amendment to LD 542, An Act To Comprehensively and Equitably Reform Electricity Rates on behalf of the Commission.

First, we would like to thank the sponsor, Representative Runte, for giving the Commission the opportunity to review the amendment and provide input. The Commission finds the proposed amendment to be workable and compliments work we are currently undertaking.

Section 1 of the amendment provides the Commission with explicit authority to establish a multi-year rate plan for transmission and distribution utilities with more than 50,000 customers that includes rate adjustment mechanisms with positive and negative financial incentives. This section specifies the annual performance goals the Commission must establish if pursuing a multi-year rate plan and establishes requirement related to the evaluation of the utility's performance. Currently, Central Maine Power has filed a request for a multi-year rate plan that includes performance mechanisms.

Section 4 of the bill requires the Commission to investigate the (1) feasibility of requiring a time-of-use (TOU) option for standard offer service; (2) the effect a standard offer TOU rate would have on the commercial and industrial net energy billing tariff rate; (3) the options for utilizing a standard offer TOU in establishing the annual tariff rate; and (4) the feasibility of requiring all investor-owned transmission and distribution utilities to offer a TOU for the delivery of electricity for all customer classes.

The Commission initiated an inquiry in February seeking comments regarding rate structures for standard offer service and issues related to offering standard offer TOU rates.<sup>1</sup> Initial comments provided through this inquiry are a helpful first step in meeting the requirements of Section 4 of the amendment. The Commission will need to explore other issues associated with offering a TOU rate for standard offer service and having a clear signal from the Legislature that this is a worthy undertaking provides focus and refinement to the effort.

I would be happy to answer any questions or provide additional information for the work session.

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<sup>1</sup> 2023-00019