



53 Baxter Boulevard, Suite 202 | Portland, ME 04101
Phone: 866-554-5380 | Fax: 207-775-5727 | TTY: 877-434-7598
aarp.org/me | me@aarp.org | twitter: @aarpmaine
facebook.com/aarpmaine | instagram.com/aarpme

February 6, 2024

Testimony in Support: L.D. 2163, An Act to Require Electricity Providers to Inform Customers of Alternative Electric Rates and Gather Consent Prior to Contract Renewal

Chairs Lawrence and Zeigler and honorable members of the Joint Standing Committee on Energy, Utilities and Technology. I am Alf Anderson, 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, sustainability, and accountability.

AARP Maine supports this proposal to adopt several reforms in the retail energy market for residential customers. As AARP has previously testified before this Committee, the retail energy market for Maine's residential customers is deeply flawed and should be terminated. Every study has documented that residential customers pay more than the Standard Offer over any reasonable time period. Furthermore, the market relies on misrepresentations as well as fine print contract terms that are not widely understood.

The specific reforms proposed by this bill are worthy of adoption. First, consumers should be clearly informed about the Standard Offer price at the time the retail supplier is presenting their contract terms to the customer. Second, marketers should not be allowed to use a negative option renewal term in their contracts and should be required as proposed in this bill to obtain explicit customer authorization.

However, there are several aspects of this bill that we urge the Committee to adjust in its review process.

The term "renewal" is not defined in this bill. It is our experience in Maine and in other states that suppliers write their contracts to avoid any obligation to "renew" but offer a fine print contract that includes a short-term promotional rate and then put the customer on a month-to-month variable rate contract or allowing a fixed rate presented at the time of enrollment to be changed under certain conditions. These contracts do not require renewal to change the customer's price. We recommend that the term "renewal" in this bill be defined as "a change in price that differs from that charged at the first month after the customer's enrollment." The intent here should be to not allow a change in price without affirmative customer agreement.

Further, AARP opposes the use of variable rate contracts for residential customers. We recommend that



the bill be amended to include this policy. Much of the evidence of harm and misrepresentation associated with the retail energy market is associated with volatile variable rates that are explicitly prohibited in Maine's policies governing Standard Offer and should be adopted for residential customers generally as well.

AARP Maine supports this bill and looks forward to the Committee's review of our proposals to improve this well intended legislation. Thank you for the opportunity to provide our views on this important bill. If you have questions for me, I can be reached at aanderson@aarp.org or at 207-330-1147.

Alf Anderson
Associate State Director, Advocacy and Outreach
AARP Maine