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## Testimony in Support

### **LD 2163, “An Act to An Act to Require Electricity Providers to Inform Customers of Alternative Electric Rates and Gather Consent Prior to Contract Renewal”**

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Senator Lawrence, Representative Zeigler, Members of the Joint Standing Committee on Energy, Utilities and Technology, my name is Linda Ball, presenting testimony in support of Senator Grohoski’s bill, LD 2163: An Act to Require Electricity Providers to Inform Customers of Alternative Electric Rates and Gather Consent Prior to Contract Renewal.

Central Maine Power appreciates the objective of this bill: to protect low income customers from paying predatory or obscenely high supply rates to Competitive Energy Providers (CEPs) that are well in excess of the standard offer rate. CMP is grateful for the opportunity to review the Public Advocate’s proposed amendment, and we offer testimony in response to that version.

Sections 2 and 3 concern disclosures by a CEP to residential customers of the prevailing standard offer rate in effect at the time a residential customer considers entering into a contract with a CEP. CMP supports these provisions.

Section 6 of the OPA’s proposed amendment would require CMP to indicate on each customer bill the website and phone numbers of the Commission and the OPA where customers can obtain information about rates for service, and the standard offer service rate in effect at the time. CMP already includes contact information for the Commission and the OPA on customer bills; adding the standard offer price is relatively simple. CMP supports this provision.

Section 8 of the OPA’s proposed amendment would require CMP to send to each CEP, on a monthly basis, a list of its residential customers served by that CEP who are also receiving financial assistance through an authorized low-income assistance program. If the CEP is informed that a customer is receiving low-income assistance

*or has received low-income assistance in the previous 12 months*, the CEP would be prohibited from entering into a renewal contract at a rate higher than the standard offer rate. The language does not protect low income customers from entering into new contracts at a rate higher than the standard offer rate, and does not prohibit CEPs from entering into contracts at a rate higher than an approved – but not yet in effect – rate.

Section 8 also creates an obligation for customers to consent to the CEP having access to confidential information about the customer's financial situation – information that is otherwise held confidential by CMP. Current CEP customers and CEP customers who begin or renew contracts before this legislation becomes law have not or will not have consented to CMP sharing their financial information with the CEP. CMP points this out not as a roadblock but simply a reminder that if this regulation is enacted, it would likely take a year for CEPs to gather each customer's permission before utilities could begin sharing information without risk of violating confidentiality. Further, every CEP would need to certify that they had received consent from each of their customers before CMP could be sharing the low income assistance status via the monthly EDI reports.

It's also not clear what process would be followed if a customer declines to provide permission to the CEP. Would the CEP then choose not to serve that customer? How will the utility be protected from incorrectly sharing that customer's low income status? Would CMP be required to manually track confidentiality waivers for each CEP customer to ensure the monthly report does not disclose confidential information? If the monthly report doesn't include all low-income CEP customers because the customer hasn't provided consent to disclosure of their financial information, does the monthly report serve its purpose? These are critical questions to ensure customers' financial information is protected. **If a customer declines to provide consent to a utility sharing their low income assistance status, the CEP should be prohibited from entering into a contract or a renewal with that customer.** Maintaining our customers' trust is a top priority. Relying on a CEP to obtain sufficient awareness of a customer's consent to share financial information, and the risks associated with customers who do not consent, presents a concern for CMP.

If the issue of customer consent can be resolved, CMP could implement the provision in Section 8 that requires the monthly list of low-income customers to be shared with the CEP. However, it will be extremely difficult to report low-income status for every CEP customer over a rolling 12-month basis, as another provision within Section 8 of the draft currently requires. It is not clear why past low-income status is relevant in this circumstance, since customers who become low-income would be protected from CEP contract renewals at a rate higher than the standard offer, but customers who are in the same financial position could be treated differently based on their prior low-income status. If this provision is retained, the

burden to cross-reference prior low-income status should quickly shift to the CEPs, who will then have past monthly lists provided by the utilities of which of their customers received financial assistance.

Section 10 of the OPA's proposed amendment protects confidential customer information regardless of who possesses it, and would also impose a new requirement that CMP provide the Office of the Public Advocate with confidential information regarding standard offer service provider sales. First, CMP questions whether standard offer sales or CEP sales are intended in this language. Second, this blanket obligation to provide confidential customer information is potentially burdensome for CMP to implement, and a process for the OPA to obtain customer confidential information on a case-by-case basis already exists. Further, if CEP sales information is sought by the OPA, the CEP is best positioned to provide accurate and reliable data.

Finally, CMP reiterates that it presents this testimony in response to the OPA's proposed amendment. If the Committee wishes to proceed with other provisions in the original bill, CMP would appreciate an opportunity to provide additional testimony.

Thank you for your consideration.