The voice of Maine business



Testimony of Ashley Luszczki L.D. 2172, An Act to Enhance Electric Utility Performance-based Ratemaking Before the Energy, Utilities and Technology Committee February 6, 2024

Senator Lawrence, Representative Ziegler and members of the Joint Standing Committee on Energy, Utilities and Technology: My name is Ashley Luszczki, and I am before you today representing the Maine State Chamber of Commerce, a statewide organization consisting of more than 5,000 small and large businesses.

Let me begin by stating that the Chamber believes when based on clear measurable goals and metrics, performance reviews can yield positive results for ratepayers and utilities alike. While we recognize the benefit of performance-based ratemaking, the Chamber is before you today testifying in opposition as we believe L.D. 2172 recreates work currently being done through the enactment of L.D. 1959, *An Act Regarding Utility Accountability and Grid Planning for Maine's Clean Energy Future* – and some results from measures set forth in that legislation will not be known until later this year.

To recap L.D. 1959 that this committee, the Governor, and stakeholders worked on, the Public Utilities Commission (Commission) and utilities were tasked with several initiatives, three of which I wish to touch on today.

1) The Commission was to adopt rules governing the evaluation of transmission and distribution utility services. Standards were put in place to measure a utility's operations in terms of reliability of service and timeliness of outage restoration, communication and customer service, and interconnection of distributed energy resources. Utilities are required to report data on a quarterly basis to the Commission that the Commission has been tasked with reviewing and a score card is published.

2) Beginning November 2022, and every five years thereafter, the Commission and stakeholders were to identify priorities, goals, and methods to assist utilities in developing a grid plan.

3) Prior to January 2024, and every three years moving forward, transmission and distribution utilities have had to submit a 10-year plan to address expected effects of climate change on electric infrastructure and the Commission is to allow for input from interested parties.

The Chamber recognizes the impact of inflation and a changing climate. We feel much of the work that previous legislation set out to achieve is still being realized. In addition to the standards adopted, the Commission has also put additional performance standards in place. Since the passage of L.D. 1959, utilities have submitted quarterly filings and later this year an annual performance score card will be made available by the Commission. We feel it's important that we see how this process plays out and changes in goals and methods for review can and should be implemented in the future if necessary.

However, should the committee decide to move forward with this legislation, we do have some suggestions.

1) Our members feel that before the Commission establishes new goals and standards, as outlined in Section 2 of the amended language, there should be time to evaluate the results from L.D. 1959 and a process should be in place with stakeholder input as new goals are established.

2) The Commission and stakeholders should review and prioritize the goals L.D. 1959 and L.D. 2172 based on importance, feasibility of implementation, and cost.

The Maine State Chamber of Commerce appreciates the work currently being done by the Commission and utilities to ensure cost containment and grid reliability for consumers, and we believe that rather than recreating work being done, we should wait to see the results of L.D. 1959.

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