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THE MAINE SENATE
132nd Legislature

Testimony of Senator Nicole Grohoski
In Support of LD 466, "An Act to Extend the Law Governing Electric Power and Service Residential Rates for Military Veterans' Organizations"

Before the Committee on Energy, Utilities and Technology
6 March 2025

Good afternoon esteemed colleagues of the Committee on Energy, Utilities, and Technology. I am Nicole Grohoski, and I represent Senate District 7. I appreciate the opportunity to speak in support of LD 466, *An Act to Extend the Law Governing Electric Power and Service Residential Rates for Military Veterans' Organizations*.

In 2021, we passed LD 1431, *An Act To Require Certain Veterans' Organizations To Be Billed for Electricity Usage at the Same Rate as Residential Customers*. This bill allowed veterans' organizations in Maine, like the VFW or American Legion, to choose to switch the electricity rate class of any building they owned or rented from commercial to residential, thereby allowing that organization to avoid crippling demand charges. The current law will sunset on September 1st, 2025. In order to maintain this helpful and low-cost program, LD 466 proposes to extend the sunset date to October 1st, 2027. It is drafted with an emergency preamble to ensure that if the Legislature intends to continue this program, there won't be a timing issue between the sunset in statute and the effective date of this bill.

According to data I received last summer from CMP and Versant, over the past three and a half years, two out of the likely 157 organizations eligible for the veterans rate contacted their utility and switched to a residential rate. However, CMP's May 2024 usage data shows that out of their 84 eligible customers, 40 had the potential to save on a residential rate for electricity delivery for that month. And that number doesn't include the organizations with the potential to save in the Versant territory.

One of those organizations is in my district, and you will hear from them shortly about the impact the rate change has had on their operations and ability to serve Veterans in our community.

When the committee reviewed this legislation in 2021, we were unsure what the financial impact might be on other ratepayers due to the shift in costs, which is why we passed the bill with a

sunset date. Now it is easy to see that the rate impact is negligible. Ellsworth VFW Post 109 estimates its savings have been \$800-1000 a year. That is not much money to spread amongst all ratepayers in the Versant Power - Bangor Hydro District.

I believe this minor cost shift is reasonable and in line with our values to recognize the service and sacrifice of our veterans and the phenomenal ongoing work that they do to support each other and our greater communities. The money they could save via this legislation would be well spent on things like energy and efficiency improvements to their facilities; helping veterans with home repairs, heating costs, and food; and supporting our youth leaders in scouting programs, for example.

The low number of veterans' organizations that are taking advantage of this program, despite the much higher number that would benefit, demonstrates that it may be beneficial to restructure the statute to make the switch automatic rather than requiring the organization to opt in, as long as the switch would reduce the organization's electricity rate.

The Long Island Power Authority has a similar program for veterans' organizations.¹ The LIPA enabling statute requires the veteran's organizations not be billed at a higher electricity rate than the rate charged to domestic customers receiving single-phase service within the same village, town, or municipality. This clause ensures that veterans' organizations are charged the residential rate as long as the switch does not increase their rates. This law additionally ensures that forgone revenues due to this program are not recovered from other customers, see below.

→ § 1020-ff. Rates charged to veterans' organizations

1. The authority shall charge a rate for electric service, regardless of the type of service offered, to any post or hall owned or leased by a not-for-profit veterans' organization that is no greater than the rate charged to domestic customers receiving single-phase service within the same village, town or municipality.

2. The authority shall not recover revenues foregone pursuant to subdivision one of this section from customers of the authority. To the extent that a lack of recovery of such foregone revenues may prevent the authority from meeting its bond coverage requirements, the authority shall reduce its non-personnel operating expenses by an amount equal to its foregone revenue.

If the committee is interested in extending this benefit to all veterans' organizations that would save money from the switch, I would be happy to work with our analyst to draft an amendment. At a minimum, I hope we can agree to continue the program as is.

I want to thank you all for listening attentively to my testimony in support of LD 466. I look forward to working with you on a path forward to help our veterans' organizations afford their electricity bills and continue to thrive in our communities.

¹ Long Island Power Authority Act, page 38:
<https://www.lipower.org/wp-content/uploads/2016/09/LIPAact.pdf>