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PUBLIC UTILITIES COMMISSION

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Testimony of the Maine Public Utilities Commission

Neither For Nor Against

LD 1358, An Act to Reduce Electricity Rates by Removing Limitations on the Ownership of Generation by an Affiliate of an Investor-owned Transmission and Distribution Utility

April 16, 2025

Senator Lawrence, Representative Sachs, and Distinguished Members of the Joint Standing Committee on Energy, Utilities, and Technology (Committee), my name is Deirdre Schneider, testifying neither for nor against LD 1358, An Act to Reduce Electricity Rates by Removing Limitations on the Ownership of Generation by an Affiliate of an Investor-owned Transmission and Distribution Utility on behalf of the Public Utilities Commission (Commission).

LD 1358 would allow an affiliate of an investor-owned transmission utility to own generation or generation-related assets in accordance with standards of conduct, established by Commission rule, even if the generation or generation-related assets are located in the service territory of that utility. It also would allow an affiliate to participate in long-term contract procurements under Title 35-A.

Allowing an affiliate of an investor-owned utility to own generation or generation-related assets creates several risks. One potential risk is that in the interconnection process, the utility could favor the affiliate potentially creating an environment where the utility makes it more difficult for others to interconnect thus providing the affiliate with an unfair advantage. Favoritism towards the affiliate could also be shown in how the utility manages the transmission and distribution system. A utility may also share information with its affiliate that could provide that affiliate with an advantage over other generators and developers. Lastly, this proposal also poses the risk that ratepayers could pay for things that ultimately benefit the affiliate.

While these risks can be addressed with standards of conduct, it is sometimes difficult to make these standards foolproof. Even with the best written standards of conduct, it is difficult to demonstrate that a violation has occurred. Much of the evidence is in the hands of the utility and may not appear in any written document. As there is no guarantee that this change would actually result in reduced costs for ratepayers, it is unclear if the benefits of LD 1358 would outweigh the risks associated with an affiliate of a utility owning generation or generation-related assets in the service territory of that utility.

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