



State of Maine
Office of the Public Advocate
112 State House Station, Augusta, Maine 04333-0112
(207) 624-3687 (voice) 711 (TTY)
www.maine.gov/meopa

Heather Sanborn
PUBLIC ADVOCATE

**Testimony Neither For Nor Against
LD 1792, “An Act Regarding the Energy Policy of the State”**

May 15, 2025

Senator Lawrence, Representative Sachs, and distinguished members of the Joint Standing Committee on Energy, Utilities and Technology,

My name is Heather Sanborn, here today as Public Advocate, to testify neither for nor against LD 1792, “An Act Regarding the Energy Policy of the State.”

As you have heard, this bill seeks to enact through statute a stipulation¹ that was filed in an attempt to settle a long-running series of dockets at the PUC regarding how NEB-related stranded costs should be apportioned between and within the various rate classes. This stipulation, as with all settlements in the context of litigation, represented a carefully negotiated set of compromises.

The stipulation was complicated, but here are the key aspects of it:

1. Stranded costs would be initially allocated across the rate classes based on the amount of kilowatt hours of electricity used by each rate class.
2. The costs paid by residential, small, and medium sized businesses would then be increased by 18% (which the stipulation calls the “additional stranded cost charge revenues” or ASCCR).
3. About a quarter of the money raised by the ASCCR would be used to increase LIAP funding. About three quarters of the money raised by the ASCCR would be used to lower the bills for customers in the Large Commercial and Industrial (C&I) Classes.
4. Versant would aggregate the Large C&I customer classes in the Bangor Hydro District and Maine Public District and spread the cost allocations across both districts.
5. The Large C&I and Intermediate General Services classes would be charged 85% of the stranded costs in the form of a fixed per customer charge and 15% volumetrically, based on either demand (in CMP territory) or usage (in Versant territory).

The Commission has rejected the stipulation. In particular, they firmly rejected the idea of using the stipulation mechanism for increasing funding for the low-income assistance

¹ PUC Docket No. 2024-00137 Filing No. 278

<https://mpuc-cms.maine.gov/CQM.Public.WebUI/Common/CaseMaster.aspx?CaseNumber=2024-00137>

program (LIAP). Indeed, after rejecting the LIAP funding proposed by the stipulation, the Commission also decided in another case this past Tuesday to leave LIAP funding at the same levels it has been for the last two years, despite growing costs and increased enrollment in the program. This suggests to the OPA that even if this legislation before you today were to pass, the result would not be the overall increase in LIAP funding that the OPA bargained for when we signed on to the stipulation.

We continue to believe that the aggregation of the Bangor Hydro District and Maine Public District and the use of an 85%/15% rate setting approach in the larger classes makes good sense. (These are items 4 and 5 in our summary above.)

However, when it comes to the ASCCR contained in the stipulation (i.e. items 2 and 3 in our summary above), we do not think this extra burden on Maine households and small businesses should be enacted through legislation. Instead, the OPA believes we have a promising path forward, this session, to **significantly lower stranded costs for all ratepayers through net energy billing reforms**. Rather than having Maine households and small businesses pay extra and transferring that money to benefit Maine's largest businesses, let's instead lower the stranded costs themselves.

The OPA stands ready to help the committee craft comprehensive NEB reform legislation to significantly reduce costs for everyone.

I welcome your questions and would be pleased to provide additional information for the work session.

Respectfully submitted,

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