



**Testimony of the Efficiency Maine Trust  
Michael D. Stoddard, Executive Director**

**NEITHER FOR NOR AGAINST**

**LD 1792 – An Act Regarding the Energy Policy of the State**

**Presented to the Joint Committee on Energy, Utilities, and Technology**

**May 15, 2025**

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Senator Lawrence, Representative Sachs, and Members of the Committee on Energy, Utilities and Technology, I appreciate the opportunity to testify today on behalf of the Efficiency Maine Trust (the Trust) **neither for nor against LD 1792.**

This bill directs the Maine Public Utilities Commission (Commission) to adopt the provisions of a proposed settlement (the “Stipulation”) to a case at the Commission regarding rate design for recovery of NEB stranded costs and to draft legislation to codify those provisions in the year ahead.

As this Committee is aware, the Commission opened a docket in 2024 regarding the recovery of post-restructuring stranded costs (e.g., stranded costs caused by the Net Energy Billing policy). Like many stakeholders, the Trust did not initially engage in this docket because it understood the scope of the investigation to be limited to the intraclass rate design for paying the stranded costs. However, the Trust intervened in the docket very late in the game to oppose a recommendation that all NEB stranded costs be recovered through volumetric rate design.

The Trust argued that by establishing a purely volumetric design the Commission would degrade the economics of heat pumps and electric vehicles which would be contrary to the requirements of the Beneficial Electrification Policy Act. The Trust further challenged the proposed design on the grounds that it “fails to consider the consequences ... for the state’s highly price-sensitive manufacturers...” and presents “a real risk of driving large manufacturing out of business and shifting costs to the remaining rate base.”<sup>1</sup>

The Trust was pleased to see the Commission order in this docket reject volumetric recovery of stranded costs for residential and small businesses. The resulting “fixed charge” approach will be conducive to helping Maine homeowners and businesses make the shift to heat pumps. However, the Trust remains concerned that the Commission’s order relies too heavily on a volumetric approach for Maine’s largest customer class.

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<sup>1</sup> EMT, Dkt. No. 2024-00137, Exceptions at 3.

While the Trust argued for a different approach to intraclass rate design for Maine's largest customer class than the one the Commission landed on, we are not convinced that legislatively mandating the Commission to adopt the Stipulation is the best remedy.

The Commission's staff recommendation (Examiners' Report) on the Stipulation summarized one of its major concerns about the proposal to shift costs from one set of customers to another:

The outcome of all cost shifts in this Stipulation is an increase in stranded costs for residential, small and medium commercial customers of 18%, and a decrease in costs for large C&I customers of approximately 54% for CMP, 28% for Versant's Bangor Hydro District (BHD), and 75% for Versant's Maine Public District. Assuming a statewide stranded cost revenue requirement of \$182 million, the total cost shift from larger classes to smaller customer classes in the Stipulation is approximately \$18.9 million per year.<sup>2</sup>

Rather than singling out one category of customers for relief, we think the Committee has the opportunity this year to provide relief for all customers, large and small. It can and should accomplish this by bringing the multiple pending NEB reform bills to a resolution, this year, that is both comprehensive and lasting. Seize the day.

Respectfully submitted,

/s/MDS  
Michael D. Stoddard  
Executive Director

<sup>2</sup> Dkt. No. 2024-00137, Examiners' Report, March 4, 2025 at 12-13 (emphasis added and internal citations omitted).