

**Testimony of Industrial Energy Consumer Group**  
**In Support of**  
**LD 1792, *An Act Regarding the Energy Policy of the State***  
**Before the Joint Standing Committee on Energy, Utilities and Technology**  
**May 15, 2025**

Senator Lawrence, Representative Sachs, members of the Joint Standing Committee on Energy, Utilities and Technology; I am Anthony Buxton, an attorney with the law firm of Preti Flaherty, here today to provide testimony on behalf of Industrial Energy Consumer Group (IECG) in support of LD 1792, “*An Act Regarding the Energy Policy of the State*” As members of this committee know, IECG is an association of large energy consumers in Maine that advocates at the state, regional and federal level for rapid and efficient climate mitigation while assuring reliability and low costs for all consumers.

I will briefly review how we got here.

By 2022, it was clear Net Energy Billing (NEB) would add some \$200 million to rates by 2025. The Commission initiated a proceeding to rate design recovery of those stranded costs. The Commission established new and significant policy, and I quote:

Additionally, while NEB-related stranded costs may be created principally on a volumetric basis – as those distributed generation projects produce energy – the benefits of such projects to ratepayers are not a function of the consumption of electricity by ratepayers.

Order, Docket No. 2022-00160, April 21, 2023, Page 14.

So, the Commission found individual ratepayer consumption does not cause NEB stranded costs, and conventional cost responsibility does not apply. The Commission then rate designed those costs within classes on a per capita basis, for the stated purpose of advancing the substitution of electricity for fossil fuels, the policy known as beneficial electrification. The Commission said:

Further, recovering NEB stranded costs through volumetric charges could create a disincentive for customers to invest in beneficial electrification, such as electric vehicles (EVs) and heat pumps. Like the NEB programs, beneficial electrification is a component of the State's overall climate policy. *See Maine Won't Wait: A Four-Year Plan for Climate Action*, Maine Climate Council (Dec. 2020). Thus, it makes little sense to create a rate design that potentially undercuts a component of the very policy of which NEB programs are also a component.

Order, Docket No. 2022-00160, April 21, 2023, Page 14.

After the large Generators sought to reopen this decision and were denied, the Commission opened an entirely new case to consider their argument they shouldn't share equally with other members of their customer class.

In that case, the Generators argued for a volumetric rate design directly the opposite of the recent decision. This would virtually eliminate stranded costs to them. IECG argued volumetric collection would be inequitable, as transmission level consumers use the grid far less than do Generators who use it to export power and pay nothing for that privilege, and costs would be huge for manufacturers.

The Generators, OPA, CES and IECG over several months negotiated a settlement Stipulation that won unanimous support from more than a dozen parties and garnered no opposition. The Commission rejected that, adopting what it had previously rejected, a virtually entirely (70/30) volumetric rate design for the transmission classes. The effect ignores beneficial electrification, the effect on the remaining Maine manufacturing base and simple fairness.

The Legislature must act.

	Customer Count	Billed Demand (kW)	Total Sales (GWh)	Total Sales (kWh)
<b>CMP</b>				
LGS-ST-TOU	52	1,297,847	581.573	581,573,000
LGS-T-TOU	28	1,707,716	557.950	557,950,000
<b>Versant-MPD</b>				
HT Transmission Voltage	4		25.094	2,161,000
ST SubTransmission Voltage	4		2.161	25,094,000
<b>Generators</b>			<b>Total Generation (GWh)</b>	<b>Total Sales: 1,166,778,000</b>
HELIX MAINE WIND DEVELOPMENT			295.4	
BLACK BEAR HYDRO PARTNERS, LLC			153.4	
BROOKFIELD WHITE PINE HYDRO LLC			1694.3	
CASCO BAY ENERGY COMPANY LLC			1674.1	
ONWARD ENERGY			960.2	
RUMFORD FALLS HYDRO LLC			290.2	
JGT2ENERGY			82	
EAGLE CREEK RENEWABLE ENERGY			249.9	
CPV CANTON			50.1	
CPV SADDLEBACK RIDGE			82.5	
WESTBROOK ENERGY CENTER			3000	
CASCO BAY ENERGY COMPANY LLC			936.9	
<b>Total Generation</b>			<b>9,469,000,000 kWh/Year</b>	