



STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Philip L. Bartlett II  
CHAIR

Patrick J. Scully  
Carolyn C. Gilbert  
COMMISSIONERS

Amy Dumeny  
ADMINISTRATIVE DIRECTOR

**Testimony of the Maine Public Utilities Commission**  
**Neither For Nor Against**  
**LD 1949, An Act Regarding Energy Fairness**

May 15, 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 1949, An Act Regarding Energy Fairness on behalf of the Public Utilities Commission (Commission).

LD 1949 contains many elements and places several new requirements on the Commission. While the goals of LD 1949 are commendable the Commission has several concerns, including that this bill as drafted can have unintended consequences that would have the opposite effect of what it appears LD 1949 is intending to achieve.

**Part A**

**Public utility disconnections**

Part A of LD 1949 creates new prohibitions relating to the disconnection of service by a public utility as well as requirements for the Commission to establish a process by which a public utility may proceed with the disconnection of a residential customer in exceptional circumstances.

The bill prohibits a public utility from terminating or disconnecting a residential customer if the customer is enrolled in, has begun the process to enroll in or has been denied enrollment in an assistance program administered by the Commission or a state agency and the customer or a member of the customer's household (1) is 65 years of age or older; (2) is a dependent adult; (3) is an incapacitated adult; (4) has been certified by a medical professional or government authority within the last 12 months as having a medical condition or disability; or (5) the member has not attained 12 months of age.

The Commission is concerned with the impact this prohibition could have on a utility's bad debt, which would impact all ratepayers, especially those ratepayers that are not qualified to receive any assistance or do not meet the listed groups protected from disconnection but still have lower incomes. Additionally, as this applies to all utilities, this could have catastrophic impacts on smaller consumer-owned utilities, that are less likely to be able to carry this debt for any extended periods of time. While it appears LD 1949 limits the disconnection prohibition to residential customers participating in the low-income assistance program (LIAP) or other state assistance programs, it includes any of the identified customers or members of the customer's household that are in the process of enrolling in an

assistance program or have been denied assistance. What if those in the process of enrollment are denied because they are not qualified. Under LD 1949, this denial would not matter as denial of assistance is a qualification to avoid disconnection. This “denial of assistance” qualification does not include any timeframe on when the denial occurred, and it raises the question of why assistance was denied in other instances. Was it due to the fact that they were not qualified? Since there is no timeframe concerning denial, will this be easily confirmable? The purpose of LIAP is to make a customer’s electric bill affordable, thus in the case of customers of transmission and distribution utilities enrolled in LIAP, this further protection may be unnecessary. Further, it is unlikely that a utility would be aware whether a customer has applied for and been denied assistance or that the customer or a member of the customer’s household meets one of the five criteria for protection from disconnection specified in the bill.

While the bill allows a public utility to proceed with disconnection of the listed customers by following a process established by the Commission in exceptional circumstances as long as the utility complies with all applicable requirements in law and rules, this exception raises further concerns. It is unclear what would be considered an exceptional circumstance. Additionally, it is unclear whether this process would require some level of review and/or approval by the Commission. This would likely be administratively burdensome and may require significant additional staff resources in the Commission’s Consumer Assistance and Safety Division (CASD).

It is helpful to understand that when Public Law 2021, chapter 347 was enacted prohibiting a transmission and distribution utility from sending any disconnection notices from November 15<sup>th</sup> to April 15<sup>th</sup> without Commission permission, the number of customers that made no payments during this time increased, while the number of customers seeking assistance during this time decreased. For example, during the last winter disconnection prohibition period, Central Maine Power had over 19,000 customers that did not make a single payment during this time. During this same time period, only 17 people applied for emergency assistance money through LIHEAP, even though significant federal assistance money was available (the average benefit paid was over \$400). The point of sending disconnection notices is to actually avoid disconnection by encouraging customers to call their utility to make payment arrangements or receive available assistance.

LD 1949 also requires a public utility to issue monthly notices to customers who have unpaid amounts for utility services during any period in which the utility is prohibited from disconnecting the customer's utility service, including the amount owed and a statement describing how the customer may apply for financial assistance. Similar notices are being issued during the winter period now and have not proven effective at prompting customers to seek assistance. Finally, this may have ratepayer implications if billing systems need to be updated to accommodate this requirement, or in the case of smaller utilities, require additional staff to meet this requirement.

### **CEP prohibition**

LD 1949 prohibits a competitive electricity provider (CEP) from entering into an agreement to provide or renew service to a residential customer that in the 12 months prior to entering into the agreement received assistance or had a low-income special rate unless the Commission finds that the customer would receive a lower rate than the rate for standard-offer service and the Commission issues a waiver. The Commission is concerned with the message this requirement sends as it seems to imply that low-income customers are not capable of making an informed decision for themselves during a contract initiation or renewal. Current law prohibits contract termination fees. It also prohibits without express consent the renewal of a contract if the contract is twenty percent or more above the contract rate in the expiring contract; or is greater than the fixed rate that would, at the time of the residential consumer's contract renewal, be offered by the CEP to customers enrolling with the provider for an initial contract

of a similar term and product offering. It further prohibits contract renewal for service at a variable rate without the express consent of the residential consumer if the expiring contract provided service at a fixed rate. The termination on fees and the need to acquire express consent on a contract renewal allows a customer that is or may be paying more than standard-offer service to easily remedy that situation in a direct and efficient manner. If this bill moves forward, the waiver process is an unnecessary use of Commission resources as the bill can simply be amended to specify that a CEP may not offer service to a LIAP participant that is at a rate higher than the standard-offer rate. While this also raises concerns, which would require disclosure of the customer's LIAP status, it seems that this may be more workable than what is proposed in LD 1949.

## **Part B**

### **Expenses included in rates**

Part B prohibits certain expenses from being included in rates. The Commission notes that currently penalties assessed by the Commission may not be included in rates.

Additionally, the violation provision in this part of the bill is unnecessary as the Commission already has this authority and often requires that money is returned to ratepayers in cases where a penalty is assessed.

## **Part C**

### **Reporting**

Section C-1 requires the Commission to adopt rules to require public utilities to file quarterly reports with the Commission, with differing requirements for utilities with customers over 50,000 and those with less than 50,000 customers. Much of this information is already reported to the Commission as required by Chapter 815 of the Commission's rules. The annual report must be submitted by all utilities to the CASD. The report must include: (1) the average number of accounts receiving service; (2) the average customer bill per billing period and per year; (3) the average number of accounts with overdue amounts per billing period (an overdue amount is the amount billed to the customer that was not paid by the due date of the bill or by a date otherwise agreed upon); (4) the average dollar amount of overdue amounts per billing period; (5) the number of disconnection notices issued per month; (6) the number of disconnections for any reason other than at the request of the customer or the abandonment of the premises per month; (7) the number of residential reconnections following disconnection per month; (8) the number of residential reconnections following disconnection per month where the service was placed in another person's name; (9) the number of residential accounts that were disconnected without consent that year that were not reconnected prior to the start of the Winter Disconnection Period; (10) the number of payment arrangements negotiated by type; (11) the number of deposits requested and received and their average dollar amount; (12) the number of applications for service that were denied; (13) the number of residential applications for service in which the utility demanded a deposit or payment arrangement; (14) the gross revenue received; (15) the actual write off amounts and method used to ascertain those figures (and any other figures which reflect uncollectible amounts); (16) the amount recovered from previously written off amounts and method used to ascertain those figures; (17) the number of cases and dollar amount of unpaid debt pursued through the court system or other means, the costs of collection by each method, with an identification of those accounts in which the utility could have but did not transfer the prior debt to a current account; (18) and the total number of customer disputes handled.

Section C-1 differs in several ways from current practices. It requires the reports be included in a docket quarterly instead of annually directly to the CASD; allows for differing reporting requirements depending the amount of customers served by the utility; requires that the data provided be disaggregated by assistance program enrollment status and data related to disconnections be disaggregated by zip code and environmental justice population status; and requires the larger utilities to publish an annual summary report of the data on the utility's website in a format determined by the OPA.

While much of the information provided is duplicative of current practice, the disaggregation of the data may be extremely time-consuming for the utility to undertake and may be costly for ratepayers. It is unclear if the cost to comply with this requirement provides benefits that would justify those costs.

### **Administrative charges**

Section C-2 requires the Commission, within existing resources, to conduct one or more proceedings to investigate administrative charges collected or demanded by a utility with over 50,000 customers by December 31, 2025, then at least every 5 years thereafter. The Commission cannot conduct a proceeding by the date required in LD 1949. If the Committee moves forward with this bill, the Commission requests that this language be amended to specify that the proceeding be initiated by December 31, 2025. Furthermore, the Commission already investigates administrative charges in rate cases, so this proceeding appears to be unnecessary.

This section also requires that any customer that is assessed an administrative charge be provided with a customer bill that discloses this charge as a line item, with a description of that charge. Identifying this charge on the bill in the manner proposed in LD 1949 would require changes to the bill, which will potentially increase costs for all ratepayers of that utility.

## **Part D**

### **Environmental justice**

Section D-5 creates environmental justice requirements. It requires the Commission in executing its duties, powers and regulatory functions, while ensuring system reliability and resource adequacy to consider environmental justice principles. It also requires the Commission, within existing resources, to establish a community engagement plan by April 1, 2026. The definitions contained in LD 1949 are inconsistent with the directive in current law as it relates to intervenor funding. Existing law specifies that if the Commission establishes a process by which priority is given to qualified intervenors or participants representing environmental justice population, the Commission is required to consult with the Maine DEP and adopt in rule a definition of "environmental justice population" that is consistent with any definition adopted by the Maine DEP.<sup>1</sup>

While environmental justice considerations may make sense in some proceedings before the Commission, it may not be workable in many other proceedings, especially with the definitions proposed in LD 1949. For example, in rate cases all customers in a rate class are to be treated the same. Customers within a rate class are not treated differently based on things such as one's religious beliefs

---

<sup>1</sup> Chapter 840 defines "environmental justice" as the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. It defines "environmental justice populations" to mean geographically or demographically defined groups of people with median household income and employment below the statewide median household income and unemployment rate who have environmental justice concerns. "Environmental Justice Populations" also include other similarly situated population groups as determined by the Commission in consultation with the Department of Environmental Protection.

or ethnicity. The Commission is not an environmental agency, and while some of our work has environmental considerations, we are not generally enforcing and implementing environmental laws.

Furthermore, environmental justice considerations and definitions should be consistent across all state agencies and not treated differently depending on where a proceeding is taking place. It may make more sense to require a state entity to develop community engagement plans and provide guidance on how environmental justice principles are to be applied by those various state agencies so there is consistency in the definitions and application of environmental justice considerations.

Additionally, it is not feasible for the Commission to establish a community engagement plan by April 1, 2026, nor to do so within existing resources.

### **Cost management**

Section D-6 requires the Commission to initiate a proceeding to examine and evaluate opt-in program designs pursuant to 35-A M.R.S. § 3209-E by December 31, 2025. Work is already underway to issue a notice of inquiry on this matter within the next month. The Commission did not open this proceeding earlier as we wanted to see the results from the procurement allowed under section 3209-D. There is no harm in including this date for the initiation of this proceeding; however, the requirement that the Commission report on the results of this proceeding by February 2, 2026, is not realistic. A proceeding of this nature will take a lot longer to complete than what is proposed in LD 1949.

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