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## **TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE**

### **An Act Regarding Energy Fairness L.D. 1949**

**GOVERNOR'S ENERGY OFFICE  
May 15, 2025**

Senator Lawrence, Representative Sachs, and Members of the Joint Standing Committee on Energy, Utilities and Technology (EUT): My name is Caroline Colan, and I am the Legislative Liaison for the Governor's Energy Office (GEO).

The GEO testifies neither for nor against L.D. 1949.

In the 130<sup>th</sup> Maine Legislature, Governor Mills expressed concerns about the operations and service quality of Maine's electric utilities, citing a demonstrated need for improvement in their provided services to Maine people and businesses. In response, Governor Mills proposed bipartisan legislation to reform and strengthen the State's approach to the oversight and accountability of Maine's electric utilities. In testimony, the administration made clear that "we must have confidence in our electric utilities to provide safe, reliable and affordable service as well as being a partner in advancing the state's clean energy and climate targets." As enacted, P.L. 2021, chapter 702 directed the Commission and the state's transmission and distribution utilities to undertake several new activities to deliver on that directive, including directing the Commission to adopt rules related to minimum performance standards and metrics, to impose administrative penalties for poor performance, to initiate an integrated grid planning process, and to require utilities to prepare and file climate change protection plans to address the expected effect of climate change on a utility's assets needed to transmit and distribute electricity to its customers. We believe the efforts underway now to strengthen utility accountability and service quality as a result of P.L. 2021, chapter 702 are meaningfully contributing to the state's goal to ensure everyone has access to affordable, reliable, clean energy in Maine.

GEO continues to be supportive of targeted efforts and opportunities to enhance utility consumer protections and improve utility transparency and accountability. However, regarding the bill before us today, L.D. 1949, GEO has concerns regarding the implementation of several sections of the bill and their potential cost implications, the protection of sensitive customer information, unintended consequences of some of the proposals, and the introduction of potential conflicts with existing Commission rules. Given the breadth of this bill, the remaining testimony will summarize a few of the areas where GEO has specific clarifying questions or concerns.

**Process:** Broadly, many of the provisions outlined in this legislation may be more effective if worked out through rulemaking rather than through statute. The Commission has many active rules very similar in



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nature to the provisions of this proposal. Given the detail and specificity of the proposed language, achieving the intent may lend itself more to rulemaking and avoid or minimize the introduction of conflicts with existing rule. While statutes should generally provide overarching guidance, allowing the rule to carry the detail-oriented directives can provide a clear path for revisions and modifications that may become necessary as technology and landscapes evolve.

**Residential customer provisions:** Service disconnections are a serious action for any utility to undertake. Any law or rule regarding utility disconnection and restoration should provide clear guidance regarding customer rights and circumstances under which disconnections can and cannot be undertaken. Such rules are critical for consumer protections while balancing the implications of non-payment by some customers on all other ratepayers. As drafted, the section of the bill regarding termination of utility services provides that a public utility is prohibited from terminating service for "nonpayment 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." It is unclear if this is intended to apply only to the LIAP program or all possible state assistance programs. Additionally, there are no time limits associated with the denial of benefits. Given that accounts in default potentially increase the bills of all customers through bad debt, there should be limits and protections in place that examine need.

**Competitive electricity supplier provisions:** GEO understands the Committee has discussed dynamics between competitive electricity providers (CEPs) and low-income customers several times in the last few years, and whether the state should bar CEPs from providing services to low-income customers if the rate is not lower than the standard offer rate throughout the entire agreement. GEO is uncertain whether competitive suppliers have access to the level of customer information required in this section or whether it is wise to grant access to a customer's low-income benefit status to competitive suppliers. Finally, we'll note that competitive supplier contracts and the standard offer term rarely overlap exactly, so it may be difficult to accurately conduct an apples-to-apples price comparison regarding whether the contract would benefit the household. That being said, GEO continues to remain open to potential CEP reforms and efforts to bring transparency to the competitive marketplace.

**Utility rate recovery provisions:** While GEO understands the intent of the section on limitations on rates, we question whether such a requirement would be workable for consumer-owned utilities who are essentially run as non-profits owned by their consumers. Secondly, regarding limitations on recoverable costs, GEO is unclear whether it's the sponsor's intent to apply this exception to all regulatory proceedings before the Commission or strictly to rate case expenses. The Commission's Chapter 85 rules detail how utilities may recover reasonable regulatory proceeding expenses which include rate cases. GEO suggests that any changes to rate recovery provisions may be better suited to potential modification through the rule rather than to statute.

**Utility billing requirements:** Utility bills are a source of key information for customers. It is imperative that the information provided in bills is clear, concise and actionable. Any additional line items or descriptions need to be carefully thought out to ensure they provide concrete information to consumers



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without risking making traditional usage and payment information difficult to ascertain. As the nature and scale of the utility bills change, we urge the committee to carefully think through what information could be provided through an annual insert or resource webpage for customers who seek to learn more versus adding new detailed information to each monthly bill. We will also note that the proposal to require a customer bill include a comprehensive description of the costs and benefits of public policy charges does not currently identify a specific entity responsible for identifying the costs and benefits of the components of public policy charges or to ensure the accuracy of descriptions included in customer bills. Again, the proposed changes contemplated in this section may be better addressed through the Commission's Chapter 815 rules.

**Customer hardship reporting:** This section reads similarly to the annual reporting requirements required by the Commission through its Chapter 815 rulemaking in Section 15. Utilities must report on disconnections, reconnections, payment arrangements, and average dollar amount overdue, among other things. While L.D. 1949 does add additional hardship statistics not currently captured by Commission reporting requirements, GEO urges the Committee to proceed with caution regarding the level of disaggregation of the data required which, as drafted, has the potential to lead to customer identification.

Thank you for the opportunity to highlight some of the areas where GEO has specific clarifying questions or concerns with this bill as drafted.

Caroline Colan, Legislative Liaison  
Governor's Energy Office