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PUBLIC ADVOCATE

**Testimony in Support**  
**LD 2038, "An Act Regarding the Participation of Transmission and**  
**Distribution Utilities with ISO-New England"**  
**January 22, 2026**

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 in support of LD 2038 "An Act Regarding the Participation of Transmission and Distribution Utilities with ISO-New England." This bill provides a unique opportunity to make a simple legislative change that will save Maine ratepayers money on their electric bills as soon as January 2027.

Since the 1990s, federal law has provided a return on equity "bonus" of 0.5% for utilities that voluntarily join a regional transmission organization (such as ISO-New England). Recently, FERC has recognized that, in states where membership in such regional transmission organizations is mandatory as a matter of state law, no such return on equity bonus should be allowed. In the last year, the U.S. Courts of Appeals for the Sixth and Ninth Circuits have upheld that determination. This means that ratepayers in states served by utilities who are mandatory members of a regional transmission organization save money.

Our proposal would make membership in ISO-New England by our investor-owned transmission utilities (CMP and Versant) mandatory as a matter of state law. The OPA would then petition FERC during the next annual transmission ratemaking proceeding to remove the return on equity bonus. CMP and Versant are already members of ISO-New England and, practically speaking, that is highly unlikely to change. Making their membership mandatory under state law would just allow FERC to remove their "bonus" rate of return, saving Maine ratepayers money.

Enacting this legislation will enable Maine ratepayers to save more than \$2 million from eliminating the return on equity "bonus," beginning next year. Because transmission costs are largely pooled across the ISO-New England region, Maine ratepayers will realize the greatest savings—over \$5 million—if comparable legislation is adopted by all New England states. Connecticut took an important first step by enacting similar legislation in 2025. We are hopeful that Maine will be next and are actively coordinating with consumer advocates in other New England states to encourage pursuit of comparable policies.

Given the urgency of electricity affordability issues, this is a simple and easy solution that will have immediate impact. I welcome your questions and would be pleased to provide additional information for the work session.

Respectfully submitted,  
Heather Sanborn  
Public Advocate

Estimated savings to Maine ratepayers under two scenarios: (1) adoption limited to Connecticut and Maine (Proposed and Enacted Legislation), and (2) adoption by all New England states (Total Elimination).

Transmission Owner	State	Return on Equity Bonus Amount 2026 (projected)	Maine's Share of Savings from Enacted & Proposed Legislation	Maine's Savings From Total Elimination
CLP	CT	\$14,685,296	\$ 1,321,677	\$1,321,677
NSTAR E	MA	\$8,653,512	\$ 0	\$778,816
PSNH	NH	\$7,365,525	\$ 0	\$662,897
NEP	MA	\$7,273,841	\$ 0	\$654,646
CMP	ME	\$4,639,162	\$ 417,525	\$417,525
NSTAR W	MA	\$4,286,041	\$ 0	\$385,744
VT Transco	VT	\$3,758,777	\$ 0	\$338,290
UI	CT	\$2,812,982	\$ 253,168	\$253,168
RIE	RI	\$2,408,900	\$ 0	\$216,801
Versant	ME	\$695,320	\$ 62,579	\$62,579
MEPCO	ME	\$658,886	\$ 59,300	\$59,300
NHT	NH	\$484,076	\$ 0	\$43,567
CTMEEC	CT	\$100,615	\$ 9,055	\$9,055
HG&E	MA	\$90,786	\$ 0	\$8,171
FGE	MA	\$9,791	\$ 0	\$881
GMP	VT	\$3,354	\$ 0	\$302
Total		\$57,926,864	\$2,123,303	\$5,213,418