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January 22, 2026

Testimony in Opposition: LD 2112, An Act to Authorize Municipalities to Form Community Choice Aggregation Programs to Procure Electricity (Proposed Sponsor Amendment dated January 14, 2026)

Greetings Senator Lawrence, Representative Sachs, and honorable members of the Joint Standing Committee on Energy, Utilities and Technology. My name is Alf Anderson, and I am an Associate State Director for Advocacy and Outreach for AARP Maine. AARP is a non-profit, non-partisan social mission organization with more than 200,000 members across the state. We work on a range of energy issues at the state level. The core principles we approach this work with include affordability, reliability, and accountability.

AARP Maine urges this committee to vote against LD 2112. While we do not oppose the option for community aggregation for generation supply service, this version of that policy does not include essential consumer protections and, as proposed, does not seem to be in the best interest of Maine ratepayers.

First, there is no basis for concluding that allowing one or more municipalities to solicit bids for generation supply service from competitive energy providers (CEPs) would result in lower bills or benefits to the municipal residents compared to the Standard Offer. The Standard Offer is already procured by aggregating all Maine's residential and small commercial customers to obtain the lowest cost service from the wholesale market, thus eliminating the "middleman" or CEPs. While AARP Maine and this Committee have urged the Public Utilities Commission to reform the Standard Offer procurement portfolio to avoid volatility in the one-year contracts, that issue cannot be resolved with this proposal.

Second, we oppose the automatic enrollment, or opt out structure, of the proposed program. We could only support this type of enrollment method if the bill required that the municipal aggregation program would result in lower bills and rates for generation supply service compared to the Standard Offer. There is no mandate in this bill that the resulting municipally approved contract would provide lower bills or rates for its residents. Any proposal that would increase electricity bills for affected residents should be offered only as an opt in methodology.

Third, the bill would allow the municipality's council or select board to approve the contract and bind their residents without a general vote. We recommend that any such plan be subject

to a vote of the voting residents of the affected municipalities. Such a vote is particularly important if the plan seeks to combine generation supply with other attributes or features that would not result in lower electric bills. It is our experience that programs of this type often result in bids that would provide features that may benefit the taxpayers of the municipality but not the customers who pay higher rates through their bills issued by the distribution utilities.

Finally, the provision of this bill that requires the investor-owned T&D utilities to purchase the receivables and bill and collect the rates approved in the aggregation program may result in higher bad debt and uncollectible payments which would be paid for by all customers if the resulting bids require higher rates and bills compared to the Standard Offer. This is not a fair distribution of the risks associated with this proposal. Any incremental costs to operate this program should be paid for by the winning bidders to the municipality.

Thank you for this opportunity to provide our recommendations with respect to this proposal. We urge the committee to focus on the essential consumer protections we have identified that are missing from this bill as currently proposed. If I can answer any questions or provide any further information, you can reach me at aanderson@aarp.org or 207.330.1147.

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