



## Testimony in Opposition to 2112

### An Act to Authorize Municipalities to Form Community Choice Aggregation Programs to Procure Electricity

January 22, 2026

Senator Lawrence, Representative Sachs, and members of the committee, my name is James Cote, and I am here today on behalf of Versant Power to testify in respectful opposition to LD 2112 and to propose an alternative path forward. Such an approach would address several of our concerns with the current draft, though a number of important questions remain to be resolved. Versant stands ready to work with the Sponsor, the Committee, and other stakeholders to consider potential ways to achieve the goals set forth by this bill while minimizing costs and risk for customers, utilities, and state policy goals.

Versant Power believes that Community Choice Aggregation (CCA) programs can provide benefits to customers and does not object to Maine establishing a CCA program if done in a way that aligns with current utility billing systems capabilities and constraints, assigns program responsibilities to appropriate parties, protects ratepayers from undue risk, and interacts efficiently with other important policy programs, e.g., assistance for low-income customers.

An alternative approach would treat CCA programs in the same way Competitive Electricity Providers (CEPs) are treated today. Rather than standing up a novel paradigm, the CEP program is well established and offers efficient existing processes that can be leveraged, e.g., for data sharing, billing, etc. To be clear, however, even if the CCA program was established in this fashion, Versant believes there are still a series of important questions and considerations that must be addressed before moving forward.

As currently written, considering how CCAs would interact with a utility, the proposed CCA program behaves sometimes like a standard offer provider, sometimes like a CEP, and sometimes like a hybrid of the two. This complexity is problematic for the utility systems that support interactions with energy suppliers, particularly the billing system.

The purchase of receivables program (POR) essentially models after the standard offer program with utilities responsible for remitting net billed amount (less retainage) to the supplier regardless of customer payment. If the utility (and, ultimately, other ratepayers) assumes responsibility for such outstanding debt, it would need to create another standard offer-like (i.e., default) functionality to accommodate CCAs in the billing system. Due to the POR, Versant Power would be unable to treat a CCA (as contemplated by the bill) like a CEP due to collections stream issues. CEP money is not currently included in customer payment arrangements or budget billing. They are considered non-disconnectable fees and are not included in disconnection notices, and the established payment waterfall applies last to



CEP charges. CEP monies also cannot be included in the arrearage management program for low-income customers.

Currently, Versant Power's billing system is not configured to have two different default suppliers. To achieve this would necessitate upgrades to the billing system requiring significant time and cost. Though not exactly the same issue, Versant Power has recently worked with an expert consultant and estimates the cost and time necessary to implement another default offering to be in the millions of dollars. Such a project could also require reallocating internal or external resources from other important projects, including those meant to facilitate policy priorities.

Versant Power also does not support adding a mandatory charge to all utility customers' bill to support a CCA POR program as not all will be eligible to participate in such programs and are not responsible for creating such costs.

In addition to concerns with the cost and time necessary to implement the bill as drafted and with the Purchase of Receivables model, Versant raises some additional questions and issues for consideration:

1. **Customer Privacy:** Section 5D of the bill directs a CCA to undertake targeted outreach to a municipality's low-income customers. However, Versant is unclear as to how a CCA would identify such customers unless the utility provides that information. Currently, Versant Power does not share low-income status information with CEPs or standard offer providers and raises the customer privacy considerations of doing so.
2. **Data Sharing:** Section 2 of the bill specifies all residential/small class customers taking default service will be automatically enrolled unless they opt out. Versant seeks clarity on what the utility's responsibility would be for providing such data to a CCA. Currently, utilities do not provide this data to CEPs as those companies actively market their programs to customers directly. CEPs then send electronic enrollment files through electronic data interchange (EDI) to the relevant utility. Versant believes the responsibility for enrolling customers should continue to rest with the provider offering a competitive alternative – in this case the CCA – who can then leverage the existing CEP process to provide enrollment data to the utility.
3. **Enrollment Changes:** Versant seeks clarity on how enrollments and enrollment changes will be handled. For example, what happens in a situation where a customer in a town with a CCA is currently on a CEP but disenrolls and takes default service instead. Does the utility switch that customer to the SEOP or CCA? Does the utility need to know when such a customer has opted in/out of the CCA and, if so, how would it have access to that information? Will the aggregator be required to use EDI to send in enrollments and un-enrollments just like any other



CEP? Versant believes it would be unreasonable to require the utilities to take on the cost and complexity of undertaking this process manually when the EDI system provides a well-functioning alternative.

4. Billing Costs: Versant currently charges \$0.27/bill for billing on behalf of suppliers and believes this is a more reasonable approach than the cost recovery mechanism set forth in the bill. The utility should retain the right to seek recovery for any under-collected supplier billing costs if necessary.
5. Customer Education: Versant anticipates the training required for its customer service representatives to respond to CCA related issues may be substantial. Customers frequently contact their utility as a first step, even when their questions pertain to supply issues. Versant will need to train representatives to respond to CCA related inquiries, make appropriate changes in our system, and/or direct customers to their CCA provider.
6. Reporting: Versant believes it would not be possible to file the reporting contemplated by Section 9 of the bill by Jan. 1 of each year unless the data sought only covered a portion of the previous year. If this provision were adopted, Versant requests a later calendar date for a reporting deadline.
7. SEOP Pricing: CCA programs could result in higher standard offer bid prices for all other customers, particularly if large load is shifted to CCA providers.

Versant stands ready to work with the Sponsor, the Committee, and other stakeholders on achieving the goals set forth by this bill while minimizing costs and risk for customers and utilities. Thank you and we would be happy to provide any additional information for the work session.