



An Avangrid company

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**Testimony in opposition to  
LD 2112 An Act to Authorize Municipalities to Form  
Community Choice Aggregation Programs to Procure Electricity**

Senator Lawrence, Representative Sachs, Members of the Joint Standing Committee on Energy, Utilities, and Technology, my name is Kathleen Bowman, Vice President of Government Affairs for Central Maine Power Company, presenting testimony in opposition to portions of LD 2112 An Act to Authorize Municipalities to Form Community Choice Aggregation Programs to Procure Electricity.

**Community Choice Aggregation and Purchase of Receivables**

CMP does not oppose the concept of Community Choice Aggregation (CCA). Communities seeking to secure electricity supply for their residents can already do so by procuring supply and communicating program options to customers. The existing utility billing system fully supports competitive market transactions and can process supplier enrollments, perform consolidated billing, process customer payments and remit payments for the Competitive Electricity Provider (CEP) participating in Maine's deregulated electricity market.

CMP's opposition to this legislation is not based on the concept of CCA itself, but on the proposed Purchase of Receivables (POR) requirement outlined in §3218, 6. CMP opposes this component for three primary reasons.

**Assumption of Risk**

The bill requires transmission and distribution (T&D) utilities to purchase the accounts receivable of a CCA program electricity provider at a discount rate and to assume the risk of customer nonpayment.

Maine's competitive electricity market was deliberately structured so that T&D utilities manage receivables for the standard offer providers (SOP), who have no relationship to the customers taking standard offer service. But T&D utilities do *not* assume credit or collection risk for competitive energy providers (CEP), who *do* have a relationship with their customers. Under this proposal, utilities would be required to take on the risk—and potential cost—of unpaid bills incurred by third-party suppliers.

This transfer of risk would likely increase utility bad debt and uncollectible accounts, costs that would ultimately be borne by ratepayers rather than by the suppliers that set prices and control customer credit decisions.

**Administrative and System Impacts**

CMP's billing and related systems were designed and programmed to comply with existing rules governing two clear models: T&D service with Standard Offer supply and T&D service with CEP supply.

A CCA-POR hybrid model would necessitate a complete re-evaluation, redesign, and reprogramming

of nearly every rule and system governing T&D and supply transactions, including creation of a new standard agreement between the aggregator and the utility.

Key questions requiring resolution include:

- **Enrollment:** Would CCAs enroll customers through existing electronic data exchange (EDI) transactions used by CEPs?
- **Customer Choice:** Would customers in CCA communities still be able to select an independent CEP?
- **Drops:** If a customer ends a CEP contract within a CCA community, would they default to standard offer service or to the CCA?
- **Collections and Disconnections:** Utilities currently may not establish payment arrangements or disconnect service for unpaid CEP supply charges. Would CCA supply be treated differently?

Until this hybrid structure is fully defined by rulemaking, CMP cannot reliably quantify how long it would take to implement, cost, or resource needs. What is clear is that the effort would be significant, the costs borne by ratepayers, and there is no guarantee of customer or system benefit to justify those costs. Diverting technical resources to this initiative would also delay other important system improvements under consideration by this Legislature.

### **Impact on Price and Ratepayers**

A POR requirement shifts the financial burden of unpaid CCA bills to all ratepayers, including those who are economically vulnerable. This represents a major and costly departure from the competitive market structure that Maine has relied on for decades.

The bill may also affect standard offer pricing. Standard offer suppliers incorporate load certainty into their pricing. As municipalities migrate to CCAs, reduced load certainty would likely translate into higher standard offer bids. CMP urges the Committee to consider this unintended impact on ratepayers statewide.

### **Conclusion**

For these reasons, CMP respectfully opposes LD 2112. While we support the ability of communities to aggregate and explore alternative supply options, the mandatory Purchase of Receivables structure outlined in this bill would shift financial risk to other ratepayers, introduce substantial administrative and system complexity, and create instability in Maine's electricity market without demonstrated benefits. We encourage the Committee to consider alternative approaches that preserve customer protections, maintain market fairness, and avoid unnecessary cost increases for Maine residents and businesses.

Thank you for your time and consideration. I would be pleased to answer any questions.