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TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

**An Act to Authorize Municipalities to Form Community Choice Aggregation Programs to Procure
Electricity
L.D. 2112**

**DEPARTMENT OF ENERGY RESOURCES
January 22, 2026**

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 Department of Energy Resources (DOER).

The DOER testifies neither for nor against L.D. 2112.

Community choice aggregation programs allow local governments to procure power on behalf of their residents, businesses, and municipal accounts from an alternative supplier while still receiving transmission and distribution service from their existing utility provider. These can be an attractive option for communities that want more local control over their electricity sources, more clean power than is offered by the default utility, or want to lock in a supply rate for a shorter or longer period of time than the standard offer provides.

There is an existing entity in Maine that offers a view into how this type of aggregation can serve certain types of customers. Maine PowerOptions was created by the Legislature in 1999 and is a program managed by the Maine Municipal Bond Bank and the Maine Health and Higher Educational Facilities Authority. It serves as an aggregator for energy supply and service for many public-serving and non-profit organizations in Maine, including participating municipalities. Their group-purchasing programs are designed to increase the buying power of eligible organizations for the purchase of fuel oil, electricity supply, and other energy services, regardless of their size. This month it was announced that Maine PowerOptions was acquired by PowerOptions, which provides similar resources in other New England states. The community choice aggregation proposal before us today is similar in some ways, but is designed not to just serve municipal, educational, or non-profit energy needs, but authorize aggregation and purchase of electric service on behalf of all the residents of a particular town.

Such a model could offer additional choice and local decision making over energy supply and contracting, and potential opportunities for savings if wisely implemented, but the department believes to achieve the intended outcomes, the committee should carefully evaluate several questions and



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considerations related to program eligibility, program design and opt-out mechanisms, consumer protection and notification requirements, and the potential cost implications of program implementation. I have included several questions for the committee's consideration by topic below.

I'd be happy to answer questions or bring information back for the work session at the request of the committee.

Caroline Colan, Legislative Liaison
Department of Energy Resources

Questions for Consideration

Eligibility

- The draft language does not preclude municipalities served by consumer-owned utilities (COUs) from participating, but some portions appear to be limited to investor-owned utilities. Aggregators can serve any utility service territory at present, if identified in their license application. The bill should be clear if the program is intended to include or exclude COUs.

Program Design and Opt-Out Mechanisms

- Program designs should be required to provide a clear timeframe for opt-out provisions. It could be important that provisions generally align with the standard offer to allow for the most informed decision making by consumers.
- If a customer opts out of the program, are they required to wait 12 months before re-enrolling? Would there be any penalties for opting out?
- Are municipalities allowed to design variable rate programs in addition to fixed rate programs?
- How will program designs adequately ensure implementation of state clean energy statutory requirements?

Consumer Protection & Notification

- The bill should consider incorporating language specifying the timing of customer notice. Typical supplier requirements state that customers should receive notice 60 days prior to any rate or supplier change.
- It is unclear how a customer's supply is handled if they fall behind on their bills. A competitive electricity provider (CEP) defaults that customer back to standard offer. The bill would benefit from clear guidance in this situation to ensure continued service.
- The bill should clarify that aggregators participating in this program should be required to be licensed as are CEPs.



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- Are there additional consumer protection requirements that have been adopted for CEPs that this bill should ensure are carried forward to community choice aggregation programs, such as renewal provisions and notice requirements for rate changes of a certain magnitude?

Costs

- It's unclear at present what costs may be incurred through implementation of the program and to which customers the costs might be collected. For example, the costs of consolidated billing for such programs.
- Are there ways to mitigate the potential impacts of shifting pools of supply customers on standard offer contracts? For example, what if Portland, Lewiston, or Bangor created a community program resulting in a significant decrease in standard offer customers?
- As drafted, the bill shifts the risk of collections and bad debt to all utility customers of the utility program. Is this appropriate?