



STATE OF MAINE
PUBLIC UTILITIES COMMISSION

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Testimony of the Maine Public Utilities Commission

Neither For Nor Against

**LD 2112, An Act to Authorize Municipalities to Form Community Choice
Aggregation Programs to Procure Electricity**

January 22, 2026

Senator Lawrence, Representative Sachs, and Distinguished Members of the Joint Standing Committee on Energy, Utilities, and Technology (Committee), my name is Deirdre Schneider, testifying neither for nor against the sponsor's amendment to LD 2112, An Act to Authorize Municipalities to Form Community Choice Aggregation Programs to Procure Electricity on behalf of the Public Utilities Commission (Commission).

LD 2112 allows a municipality or group of municipalities to engage an aggregator to aggregate the electric load of its residential and small commercial electricity customers to procure electricity on their behalf. While the Commission is supportive of proposals that provide electricity customers with more options regarding their supply, we do have a couple of concerns with LD 2112.

One concern is the potential impact LD 2112 would have on the price of standard-offer service. The potential for large losses in the load a standard-offer provider is serving could lead to the addition of higher risk premiums. However, through the rulemaking authority provided in LD 2112 to establish the procedures necessary for a municipality or group of municipalities to establish a community choice aggregation (CCA) program and obtain plan approval, we may be able to implement provisions to minimize any impact to the cost of standard-offer service.

The Commission also has concerns with the requirement that the utilities purchase receivables and that the utilities assume all the risks associated with customer nonpayment. If the utility is responsible for the bad debt associated with a CCA program, it would appear that costs associated with that program may be shifted to other ratepayers, effectively leading to non-CCA customers subsidizing the program. It also shifts all the administrative burdens to the utility, including any billing system changes that may need to be done to accommodate a CCA program, which may also lead to further cost shifting. This becomes especially troublesome if municipalities with larger populations and higher incomes elect to establish a CCA program because those costs would be spread out among fewer people and may disproportionately impact those with lower incomes.

Lastly, if moving forward, the Commission requests that the bill require the initiation of rulemaking by January 1, 2027, instead of requiring adoption by that date. LD 2112 requires the Commission to adopt rules relating to program establishment, program approval, consumer protections, purchase of receivables and opt-out procedures. This will be a significant undertaking, and the Commission

envisions conducting an inquiry before initiating rulemaking, as well as looking at other jurisdictions that have adopted CCA programs to learn from their experiences.

I would be happy to answer any questions or provide additional information for the work session.