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## TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

### An Act to Limit Rates Charged to Low-income Electricity Consumers L.D. 2203

DEPARTMENT OF ENERGY RESOURCES  
February 19, 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 in support of L.D. 2203.

Thank you for the opportunity to provide comments on this proposal.

L.D. 2203, which is before you today following a recommendation from a recently completed report prepared for the Maine Electric Ratepayer Advisory Council (ERAC), would prohibit competitive electricity providers (CEPs) from charging more than the standard-offer service rate to residential consumers receiving low-income assistance under Title 35-A, section 3214 (LIAP). In recent years, this Committee has examined the dynamics between CEPs and low-income customers on several occasions, including whether the state should limit or bar CEPs from providing services to low-income customers when the rate exceeds the standard offer rate. DOER has generally supported CEP reforms and efforts to bring greater transparency and consumer protections to the competitive marketplace while maintaining customer choice. However, recent changes to the administration and structure of the LIAP program warrant renewed consideration of CEP participation for households receiving state assistance.

Recent authorized changes to LIAP include automatic enrollment of income-qualified households through coordination with DHHS, expanded income eligibility, increased program allocations, and a shift from annual lump-sum benefits to monthly percentage discounts applied to a customer's total bill. In addition, the Public Utilities Commission (PUC) has made it clear through a recent order, that utilities shall continue funding the program even if participation exceeds allocated amounts, noting that investor-owned utilities may seek recovery for overspending if incurred in accordance with the rule. Together, these changes mean that when a LIAP participant is served by a CEP charging rates above the standard offer, higher supply costs directly reduce the ability of the program to improve energy affordability. Because any program overspending may ultimately be recovered from other ratepayers, it is especially important to safeguard LIAP funds and ensure they are used efficiently and as intended.

This bill appropriately authorizes the PUC to adopt rules to implement the policy. We recognize that several implementation challenges will need to be addressed, including establishing appropriate



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customer data-sharing processes; resolving timing and alignment issues between CEP and standard offer contracts; clarifying questions related to customer choice; and identifying ways to minimize the administrative burden associated with compliance for both CEPs and the PUC. DOER believes these matters are best addressed through a formal PUC rulemaking process.

Given the continued evidence that low-income customers often pay more for electric supply under CEP arrangements, this bill represents a targeted and equitable solution to protect limited assistance funds for their intended purpose.

Thank you for your consideration.

Caroline Colan, Legislative Liaison  
Department of Energy Resources