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PUBLIC UTILITIES COMMISSION

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## **Testimony of the Maine Public Utilities Commission**

### **Neither For Nor Against**

### **LD 2203, An Act to Limit Rates Charged to Low-income Electricity Consumers**

February 18, 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 LD 2203, An Act to Limit Rates Charged to Low-income Electricity Consumers on behalf of the Public Utilities Commission (Commission).

LD 2203 specifies that a competitive electricity provider (CEP) is prohibited from entering into a contract or renewing a contract with a customer who is a participant in LIAP that would result in charging a rate that is higher than the standard-offer rate. It further specifies that a CEP is prohibited from charging a customer enrolled in LIAP a rate that is higher than the standard-offer rate at any time over the term of the contract.

There is value in helping LIAP customers reduce their bills, both for the customer and for maximizing available LIAP funds. In the next LIAP year, the program will change from lump sum payments to a discount rate. For example, if a customer's bill under standard-offer service is \$100, at a discount rate of 30%, that customer would see a reduction in their bill of \$30. If that same customer was in a contract with a CEP for a rate higher than the standard-offer rate resulting in a bill that was \$150, that customer would see a reduction in their bill of \$45. That \$15 difference would result in higher costs to administer LIAP and would ultimately be borne by all ratepayers, including those participating in LIAP.

The Commission has some concerns with the implementation of this prohibition. A specific concern is with how best to implement the prohibition on charging a LIAP customer at any time a rate that is higher than the standard-offer rate. The Commission is reluctant to put the utilities in a position to police CEPs. If CEPs are required to monitor their contracts to ensure that, at any time, they are not charging more than standard-offer rate, it may lead CEPs to simply not serve LIAP customers, eliminating customer choice even in circumstances where it would be advantageous to the LIAP customer. However, by soliciting input during the rulemaking process, we would strive to find the right balance to implement this in an effective manner, while preserving options for LIAP customers to seek rates that are lower than the standard-offer rate.

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