



STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Philip L. Bartlett II
CHAIR

Patrick J. Scully
Carolyn C. Gilbert
COMMISSIONERS

Amy Dumeny
ADMINISTRATIVE DIRECTOR

Testimony of the Maine Public Utilities Commission

In Support Of

LD 897, An Act Regarding Required Negative Pricing Provisions in Contracts for Energy Resulting from Competitive Solicitations Conducted by the Public Utilities Commission

March 4, 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 in support of the sponsor's amendment to LD 897, An Act Regarding Required Negative Pricing Provisions in Contracts for Energy Resulting from Competitive Solicitations Conducted by the Public Utilities Commission on behalf of the Public Utilities Commission (Commission).

During the last legislative session, Public Law 2025, chapter 392¹ was enacted establishing a negative pricing provision (35-A M.R.S.A. § 3149). As the Commission understood from testimony on LD 597, the intent of this provision was to direct the Commission to handle negative pricing in the ISO-NE energy market under contracts approved by the Commission in a manner that is consistent with standard practices in other New England states and as a mechanism to reduce post-restructuring stranded costs.

The language that ultimately was enacted is inconsistent with other New England states and therefore does not achieve the result it was intended to achieve. One issue with the language is its use of "stranded cost." The term "stranded costs" as currently defined in Title 35-A refers to stranded costs as a result of restructuring and does not capture post-restructuring stranded costs that occur from long-term contracts entered into pursuant to competitive solicitations conducted by the Commission pursuant to law. By using "stranded costs," in the language in section 3149 it essentially renders this new provision meaningless. Furthermore, even if the usage of "stranded costs" was read to mean the costs created when energy purchased from the generator at a fixed price per MWh is resold on the ISO-NE wholesale energy market at a loss, this provision is still inconsistent with other New England states.

LD 897 clarifies the intent of the language and represents language that is consistent with how negative pricing is handled in other New England states.

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

¹ LD 597, An Act to Direct the Public Utilities Commission to Conduct Procurements for Energy or Renewable Energy Credits