

Testimony on LD 542, An Act to Comprehensively and Equitably Reform Electricity Rates

Committee on Energy, Utilities and Technology
By Pete LaFond, Acadia Center
March 16, 2023

Dear Senator Lawrence, Representative Zeigler, and members of the Energy, Utilities and Technology Committee:

My name is Pete LaFond, and I am the Senior Policy Advocate for Acadia Center, a Rockport, Maine-based nonprofit research and advocacy organization committed to advancing the clean energy future of Maine. Please accept this testimony in strong support of the Amendment to L.D. 542, “An Act to Comprehensively and Equitably Reform Electricity Rates.” Acadia Center recognizes that Mainers are struggling to pay their electricity bills. We know this every time we open our own utility bills. The Amendment sets forth a plan to begin to address increasing utility bills by establishing performance-based ratemaking for major transmission and distribution utilities in Maine.

The Amendment specifically empowers the Maine Public Utilities Commission to establish both positive and negative financial incentives to achieve necessary performance goals, all as set forth in the Amendment. The categories of performance include improving grid flexibility and resiliency and encouraging peak load shaping and peak load reduction, all while using proven methods of electrification and energy efficiency. Under the Amendment, the PUC will receive data from each utility and develop an annual public report card. The public desperately needs greater transparency around utility decision-making and performance, especially given rising rates. Financial incentives and penalties can help to address the misalignment between existing utility incentives and State policy goals and ensure that utilities are providing the best possible outcomes for ratepayers.

While Acadia Center supports the Amendment, we recommend that several additional items be added to the list of performance categories under Section 1 “Performance goals”, including affordability and cost control, as well as environmental justice and equity. By adding these categories of performance, this bill can help ensure that those who are suffering most from rising electricity costs are prioritized.

The amendment also mandates that “a consumer-owned transmission and distribution utility shall offer an optimal time-of-use rate to retail customers in its service territory.” Acadia Center strongly supports the use of time-of-use rates and other advanced rate designs that respond to changing conditions and prices on the grid.

Thank you,

Peter LaFond

Senior Advocate and Maine Program Director
8 Summer St. PO Box 583
Rockport, ME 04856-0583
plafond@acadiacenter.org
207-236-6470 x305
207-329-4606 cell