



Office of the Public Advocate

Your Trusted Source for Utility Information

MAY 2023 HIGHLIGHTS

As the Legislature begins to wind down this session, there is a big issue that has yet to be addressed – net energy billing (NEB). NEB is a program that generously subsidizes the development of solar generating facilities. To promote solar energy, the 129th Legislature required CMP and Versant to pay approximately \$0.20/kWh for solar energy that costs less than \$0.10/kWh to generate. Projects as big as 5MW (covering approximately 20 acres of land with solar panels) qualify for the subsidy. The result of this 2019 legislation has been a “gold rush” of developers into Maine taking advantage of this subsidy. There are currently approximately 1,000 qualifying projects either in operation or under development, representing more than 2,000 MW of capacity (more than the peak usage of all CMP customers and representing more capacity than any of New England’s largest nuclear plants).

The OPA predicts that, even if many of the NEB projects are never completed, the program will eventually cost ratepayers approximately \$220M/year for the next 20 years, or approximately \$4 Billion. This is the equivalent of a utility tax of approximately \$275/year on every CMP and Versant Power ratepayer. CMP and Versant Power ratepayers will start seeing these costs in their bills by the end of this summer when the PUC is expected to approve the utilities’ collection of the first \$150 million of NEB costs in CMP and Versant rates.

To be clear, Maine needs to transition away from fossil fuels and solar needs to be part of this clean energy transition. But there are far better and cheaper alternatives to NEB to encourage solar development. If we are smart about how we promote it, *more* solar can be built at a much lower cost to ratepayers.

The OPA looks forward to working closely with the Legislature over the next few weeks to address this issue. The cost is immense, and it is hitting Maine ratepayers when they are already struggling with extraordinarily high electricity bills. OPA hopes all ratepayers will contact their legislators and urge them not to leave Augusta until they have addressed this problem.

William Harwood, Public Advocate

[Find Out More](#)

To learn more about any of the cases mentioned in this issue, please visit the PUC’s Case Management System (CMS). Make note of the docket number of the case of interest from this newsletter and enter it in the search feature on this page: <https://mpuc-cms.maine.gov/CQM.Public.WebUI/ExternalHome.aspx>

You can visit our website for more information: <https://www.maine.gov/meopa/home>

Office of the Public Advocate

Your Trusted Source for Utility Information

Legislative Advocacy

The Energy, Utilities, and Technology Committee (EUT) continues to hold public hearings, work sessions, and presentations until the culmination of the session. The OPA is actively working on numerous bills of interest in front of the committee affecting ratepayers and will participate in related work sessions and language reviews. Testimony on bills the OPA takes a position on can be found on our website: <https://www.maine.gov/meopa/reports-and-testimony>

EUT Unanimously Supports Amended OPA Bill Addressing Standard Offer Reform

Senator Eloise Vitelli of Sagadahoc County sponsored LD 987, “An Act to Promote Electricity Price Stability for Standard-offer Service.” The bill is a direct response to the two most recent annual increases in Maine Standard Offer (SO) prices. The amended bill directs the PUC to initiate a proceeding to develop a procurement strategy and consider other measures that could be utilized to increase rate stability for residential customers that elect standard offer service. The Commission is also required to consider the use of varied contract lengths and terms to reduce price volatility from year to year in the proceeding. By expanding the time horizon beyond one year, the recent spikes in SO prices can be minimized. LD 987 gives the PUC the desired directive from the Legislature to give more weight to rate stability when it procures Standard Offer supply.

OPA Testifies in Support of Low-income Rate Setting Legislation

Representative and EUT House Chair Stanley Paige Zeigler sponsored LD 1427, “An Act to Clarify the Public Utilities Commission’s Authority to Consider the Impact on Low-income Residential Ratepayers When Setting Rates.” LD 1427, if enacted, will clarify that the PUC has broad authority to use all of its expertise and experience to address the growing and burdensome affordability gap facing low-income ratepayers.

PUC Electric Proceedings

OPA Challenges New Regional Rules on Fuel Inventories, FERC Docket No. ER23-1588

On April 28, the OPA filed a challenge with the Federal Energy Regulatory Commission (FERC) regarding ISO New England’s updated Inventoried Energy Program. The OPA’s challenge was a joint filing by New England consumer advocates, including the Massachusetts Attorney General, the Connecticut Consumer Counsel and the New Hampshire Consumer Advocate.

Under the Inventoried Energy Program, utility customers pay supplemental amounts to electric generators, such as oil-fired units, to ensure that they maintain on site fuel supplies during winter months. The program was initiated several years ago in response to concerns about system reliability during the winter. In their challenge, the consumer advocates argue that the modified compensation structure shifts substantial risk to ratepayers in the form of potential tripling of program costs, from

Office of the Public Advocate

Your Trusted Source for Utility Information

approximately \$150 million per year to over \$400 million, without a demonstration of roughly commensurate benefits.

The next step in the process will be for ISO New England to file responsive comments, following which, FERC will decide whether to open a formal investigation.

OPA Files Second Round of Testimony Opposing CMP's Request for a Rate Increase, PUC Docket No. 2022-00152

On April 6, the OPA filed a second round of testimony opposing CMP's request for a rate increase. In this testimony, the OPA's witnesses recommended that CMP's request be cut from \$43.5 million to \$18.2 million, and that CMP's request for additional rate increases in 2024 and 2025 be denied. The reductions are based on a number of issues, including recommendations to lower the allowed return on equity, reject proposed increases related to charges from CMP's parent company, and reductions to CMP's proposed capital program. A hearing is scheduled for mid-May with a final decision expected sometime in July.

Evidentiary Hearings Held on Versant Power's Request for a Rate Increase, PUC Docket No. 2022-00255

On April 26, a final hearing was held on Versant Power's request for a \$30 million rate increase. The primary issues in the proceeding include the expected timing of Versant's installation of new automated meters, the expected timing of any savings or other benefits that would be provided by the new meters, and whether to include the expense of these new meters in rates at this time. Based upon a recommendation to delay recovery of the new metering system in rates, the OPA's witness recommended reducing the company's proposed \$33 million rate increase to approximately \$16.5 million. The parties are next scheduled to file written arguments summarizing the evidence and the applicable legal standards. A final decision is expected by the end of June.

Versant Files Update of Proposed Stranded Rates, Docket No. 2023-00076

Versant Power has proposed new stranded cost rates for the three-year period commencing March 1, 2023, with those rates to be reflected in customer bills commencing July 1, 2023. By Order dated April 21, 2023, the PUC approved stranded costs revenue requirements for the period of March 1, 2023 through February 29, 2024 of \$22,036,196 for Versant's Bangor Hydro District and \$14,138,436 for Versant's Maine Public District. On March 31, 2023, Versant filed updated stranded cost rates to become effective on July 1, 2023. Versant's proposed stranded cost rates reflect an updated forecast of expenses and revenues for the period from March 2023 through February 2024 and a reconciliation of stranded cost expenses and revenues for the period from March 2022 through February 2023. For the Bangor Hydro District, the updated stranded cost revenue requirement amounts to \$32,640,018. This proposed increase in the total stranded cost revenue requirement would produce a 10.8% increase in the average all-in price for residential customers. For residential customers using 500 kWh per month, this represents an increase of \$15.05 per month.

Office of the Public Advocate

Your Trusted Source for Utility Information

For the Maine Public District, the updated stranded cost revenue requirement amounts to \$8,142,390. This increase in the total stranded cost revenue requirement produces a 9.6% increase in the average all-in price for residential customers. For residential customers using 500 kWh per month, this represents an increase of \$11.69 per month.

The OPA Responds to the T&D Utilities' Proposal for Sharing Customer Data with Lawrence Berkeley National Laboratory (LBNL), Docket No. 2022-00009

In April 2022, the PUC gave Central Maine Power and Versant Power waivers to share data with LBNL about customers who use rooftop solar to provide electricity, after the utilities created non-disclosure agreements (NDAs) that would be signed by LBNL describing the safeguards that would be in place to protect this information. On February 21, 2023, the utilities notified the PUC that LBNL has requested more information, this time about customers who have contracts with community solar providers. In response to comments from the OPA, on April 5, 2023, the utilities proposed amended NDAs to cover the new data to be shared. But on April 28, 2023, the OPA replied that there are still issues to be resolved, where some of the data involve customer participation in federally funded low-income programs and some are details of the contracts between customers and rooftop solar providers.

OPA Participates in Panel Discussion on Grid Planning to Meet State Goals, Docket No. 2022-00290

The OPA participated in a panel discussion with the Governors Energy Office, Efficiency Maine Trust, Versant Power, and Central Maine Power as part of the PUC's grid modernization inquiry. During its 2022 session, the Legislature enacted "An Act Regarding Utility Accountability and Grid Planning for Maine's Clean Energy Future," Public Law 2022, Chapter 702, Section 8 of the Act requires the Commission to initiate a proceeding once every 5 years to identify the priorities to be addressed by Maine's two investor-owned electric transmission and distribution (T&D) utilities. The OPA's comments recommended 3 steps that will assist in the cost-effective transition to a clean, affordable, and reliable electric grid: 1) prioritize the need for accurate, 24/7/365 data about the T&D system; 2) this accurate data makes it possible for targeted investments to meet system needs; 3) the targeted investments keep rates affordable as the grid transforms to meet the new requirements of beneficial electrification.

The PUC Considers Changes to the Utility Pole Attacher Rules, Docket No. 2023-00058

On March 29, 2023, the PUC proposed to amend Chapter 880 of its Rules to (1) require that pole attachers participate in the pole owner's pole management database, and (2) correct the provisions describing the order which attaching entities must move attachments from a replaced joint-use utility pole to a new pole. On April 26, 2023, the OPA commented that it is concerned with the upward pressure on electricity customer rates that could result from the pole database costs. A Public Hearing was held on May 2, 2023.

Nonwires Alternative

Nonwires Alternative Saves Ratepayers \$2.4 – \$3.5 Million Dollars

The OPA and the Nonwires Alternative (NWA) Coordinator undertook an NWA review of system needs in the Lewiston Loop area. The NWA Coordinator determined that a technically feasible and cost-effective NWA exists to reduce existing overloads on Section 76. The NWA proposes Distributed Energy Resource (DER) interconnections until a complete line upgrade takes place. The NWA saves ratepayers between \$2,377,208 and \$3,453,692 based on the deferral of the revenue requirements for three to ten years.

PUC Natural Gas Proceedings

PUC Approves Rate Increase to Cover Unutil's 2022 Costs for Infrastructure Replacement and Upgrade Projects, Docket No. 2023-00044

In 2013, the PUC approved a long term, multi-year project to replace and upgrade equipment, scheduled for completion in 2024. Each year, the amount of costs that the Company may recover depends on whether the work is completed on schedule and within the established budget. After reviewing Unutil's 2022 filing on April 26, 2023, the PUC approved a 3.62% increase to distribution-only base rates for all customer classes effective May 1, 2023, which results in a combined delivery and supply increase of 1.2% to 3.6% for residential customers and 0.7% to 3.6% for commercial and industrial customers, in addition to other adjustments to customer charges and volumetric rates. The OPA agreed with Unutil's calculation for this rate increase. However, the OPA noted that Unutil is performing a large amount of work in 2023 on some of the busiest roads in Maine and questioned whether the project is on track to finish in 2024. Unutil expects to complete the full project on time, but that some paving would need to happen in 2025.

PUC Approves Decrease in Summer Cost of Gas Factor (GCF) Rates for Northern Utilities (Northern), Docket No. 2023-00022

On April 25, 2023, the PUC issued an Order approving Northern Utilities, Inc. d/b/s Unutil's proposed CGF rates for the 2023 Summer Period beginning May 1, 2023 and extending through October 2023. Through its Order, the PUC approved Northern's proposal to lower its Summer CGF rates from \$0.9126 per therm to \$0.3907 per therm for sales customers, a decrease of \$0.5219 per therm from the average 2022 Summer Period residential class CGF rates. Winter Period CGF rates will be approved later this year to take effect on November 1, 2023 through April 30, 2024. The OPA supported the Summer Period Rate decrease.

The CGF rates represents only one component of Northern's rates, namely the cost of gas supply resources necessary to serve customer needs and the transportation service to get that gas onto Northern's delivery system. Other components of Northern's rates are determined through period rate cases.

Office of the Public Advocate

Your Trusted Source for Utility Information

Northern Utilities Files Request for Increase in Rates, Docket No. 2023-00051

On March 1, 2023, Northern Utilities, Inc. d/b/d Unutil (Northern) announced that on May 1, 2023, it would submit a request an increase to customer rates. Northern did in fact file its proposed rate increase on May 1, 2023. Northern is requesting approval of an annual increase of \$11,756,977 in distribution revenues, representing an overall return on rate base of 7.74 percent. The intended rate effective date is February 1, 2024. Northern is also prosing changes to its current rate design methodology. The OPA will actively participate in this proceeding.

[PUC Water Proceedings](#)

“10-Person Complaint” is Filed Asking the PUC to Open a Formal Investigation into the Auburn Water District’s Actions Regarding Lake Auburn, Docket No. 2023-00069

On March 23, 2023, a group of local customers and residents filed a complaint against the Auburn Water District (AWD), saying that the District has acted in ways that threaten the quality of water in Lake Auburn and which may lead to significant water rate increases. Currently, Lake Auburn has a federal waiver from the requirement to build a costly filtration system which is otherwise required for surface water drinking water sources. The AWD responded to the complaint on April 13, 2023, and comments on the response were due on May 4, 2023. If the Commission finds that the complaint has merit and is not satisfied that AWD has taken adequate steps to remove the cause of the complaint, the Commission will open an investigation.

[Consumer Assistance](#)

“MPUC, I urge you not to approve the latest round of rate increases submitted by Versant. Us homeowners in Northern Maine are still reeling from the previous increase, and many cannot bear the burden of another increase so soon in this current economic climate. We have no other option for electric needs in this area and Versant is relentlessly pushing for higher and higher rates. Please fully consider the effects on the families and businesses already struggling in Northern Maine and do not pass this requested increase.”

“I recently heard of another electricity rate hike through CMP. As a senior in Maine, I know I can't afford another rate hike. I'm on a very tight budget receiving only a very small pension. No Social Security. My last electric bill was \$401.00 which is a THIRD of that budget for the one month. I have been keeping my heat at 60 or 62 if very cold out. That \$401.00 is also on top of a propane bill that's not too far below that. There's not much more I can do. Where is the money to come from? Food? Meds? Gasoline? All these rate hikes are killing us Maine seniors and families. Please, we can't afford another utility rate hike!”

What you just read is a sampling of testimony from dozens of ratepayers submitted to the PUC and dozens more given in person at the recent Public Witness Hearings for both Versant and CMP’s proposed rate increases.

Office of the Public Advocate

Your Trusted Source for Utility Information

A lot of what commissioners are hearing from ratepayers at these events is similar to what I hear every day as the OPA's Consumer Advisor – Mainers cannot afford for yet another bill to go up. Testimony at the Public Witness Hearings also brought up customer service (and CMP's low JD Power ranking), outages, and the proposed improvements at the root of these rate increases. Consumers asked: "Shouldn't these improvements come out of company profits and not the ratepayers' pockets?"

"I'm here tonight to show you the regular people care, and to encourage the Commission to do the best you can for us. Ratepayers are struggling," testified one ratepayer.

"I can guarantee not one person behind me is saying yes, please bring these rates up more," testified another ratepayer. "You folks are the brakes."

Of course, the hot topics of the day (the increase in the Standard Offer, consumer-owned utilities, and NECCEC) also came up, but overall, the testimony centered on a request that the PUC not increase the rates as requested by the two investor-owned utilities. I found a lot of the testimony to be eloquent and heartfelt; we will see what impact it has on the PUC's decisions, which are due this summer.

Low-Income Help for Water Customers

The Maine Water Assistance Program is a limited-time program that is accepting applications until September 15, 2023. This program is funded by the federal CARES and American Rescue Plan Act and is available to assist Maine residents who may have fallen behind or had difficulty paying their drinking water and wastewater bills. The program provides direct payments to water and sewer utilities on behalf of customers.

This program is available to income-qualified Maine households who receive their water through public water or wastewater utilities and have an account in their name. It covers unpaid bill balances and property liens for non-payment. The program may also provide a credit of \$200, \$350, or \$500 to defray future water costs. Credit levels are determined by household income as well as annual water/wastewater expenditures, a household of four can earn up to \$59,348 annually and be eligible to participate in the program. See MaineHousing's website for additional income and document requirements. An application on the website is available for download or you can call Maine Housing at (888) 623-6762 or (207) 626-4600 for additional information or for an application.

We encourage anyone struggling with their water or sewer bills to take advantage of this program while it is available.

<https://www.mainehousing.org/news/news-detail/2022/09/30/mainehousing-launches-maine-water-assistance-program>

Office of the Public Advocate

Your Trusted Source for Utility Information

What to do if you are behind on your utility bills

There are a few key steps that you can take to ensure continued service:

- 1) Contact your utility. Ask about a payment arrangement to pay down your back balance.
- 2) If you have a payment arrangement with your utility and you can't afford it, contact the Maine Public Utilities Commission's Consumer Assistance Division at (800)452-4699 to see if they can negotiate a more favorable rate for you.
- 3) Call your local Community Action Partnership (CAP). There are heating, electric, and pandemic assistance funds available to help with your utility bills.
- 4) Contact your town for general assistance fund support.
- 5) If you are eligible for heating assistance, call your electric utility and ask about enrolling in arrearage management. This program provides debt forgiveness as you pay your current electricity bill on-time.

[Having trouble paying a utility bill?](#)

The Public Utilities Commission has a webpage to connect you to bill assistance resources. This list covers all utilities and is a great page to review if you are having trouble making ends meet:

<https://www.maine.gov/mpuc/consumer-assistance/programs>