

Testimony in Support of LD 860, "An Act to Require Competitive Electricity Providers to Provide Certain Information to the Public Advocate"

March 18, 2025

Senator Lawrence, Representative Sachs and distinguished members of the Joint Standing Committee on Energy, Utilities, and Technology,

My name is Heather Sanborn, here today as Public Advocate, to testify in strong support of LD 860, "An Act to Require Competitive Electricity Providers to Provide Certain Information to the Public Advocate." Thank you, Representative Sachs, for sponsoring this important bill. We are also grateful for the co-sponsorship support of Senator Lawrence, Representatives Foster, Geiger, Kessler, McIntyre, Runte, Wadsworth, Warren and Webb. (We would have tried to reach each of you but ran out of space on the sponsor form!)

This emergency legislation will provide OPA access to CEP billing information held by CMP and Versant as soon as reasonably possible, enabling OPA to determine the extent of overcharging of low-income customers for electricity supply and give this Committee a full understanding of this issue so that effective action may be taken promptly. Specifically, the OPA needs aggregated, zip-code level billing data from each of the electric utilities to compare the rates being charged to low-income customers of CEPs compared to low-income customers who accept the Standard-Offer service. If warranted by the investigation, a new bill may be reported out this session.

The Electric Ratepayer Advisory Council (ERAC)'s 2024 Annual Report presented substantial evidence that CEPs charged Maine consumers \$135 million more than they would have paid under the Standard Offer from 2016-2023. The chart on the next page shows the yearly difference between the average CEP price and the Standard Offer, as well as the total resulting overpayment.

Residential Payments in Excess of Standard Offer										
	Average	Standard								
Year	CEP Price	Offer Rate	Overpayment							
2016	\$0.101	\$0.065	\$28,885,648							
2017	\$0.095	\$0.067	\$20,865,330							
2018	\$0.104	\$0.079	\$17,062,249							
2019	\$0.116	\$0.090	\$14,454,702							
2020	\$0.112	\$0.073	\$18,481,864							
2021	\$0.109	\$0.064	\$20,060,265							
2022	\$0.141	\$0.118	\$9,616,242							
2023	\$0.185	\$0.170	\$5,953,587							
2016-2023 Total Overpayment \$135,379,887										

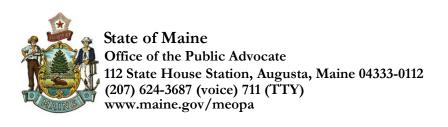
Year after year, the residential CEP market in Maine clearly leads to significant consumer loss.¹

Perhaps the most egregious finding of the Baldwin and Howington report to ERAC is that evidence suggests that the financial harm caused by aggressive CEPs is borne disproportionately by low-income ratepayers. Households participating in the LIAP program are more likely to purchase electricity from CEPs than are other households – both CMP and Versant report that low-income households participate disproportionately in the overpriced CEP-served market. It appears, those households who are struggling the most are most likely to be purchasing the least affordable electricity supply.² As a result, one of ERAC's recommendations to the Legislature is to support this legislation to give the OPA access to CEP data held by utilities in order to fully investigate the extent to which low-income households are paying more than they would under the Standard Offer.

In July 2024, the Public Utilities Commission (PUC) denied a request from the OPA for data held by CMP and Versant relating to the provision of residential supply service by

¹ Baldwin and Howington, "Is Maine's CEP-Served Residential Electricity Supply Market Affordable?", p. 15

² Baldwin and Howington, "Is Maine's CEP-Served Residential Electricity Supply Market Affordable?", p. 23



CEPs.³ The Commission concluded that "the OPA does not have statutory authority to conduct an investigation of CEP billing data." Attachment B is a copy of the PUC's Order. LD 860 addresses this issue by clarifying the OPA's statutory authority to investigate the reasonableness of CEP rates and by explicitly permitting the PUC to give the OPA access to the billing data that is needed to investigate the disproportionate harm on low-income Mainers. The individual customer-identified data is not needed for this work, and OPA will carefully protect the confidentiality of any confidential business information provided under this provision, as it often does under the terms of a protective order issued by the Commission. Because the analysis is needed as soon as reasonably possible and will be critical in helping this Committee determine whether further regulation is needed, the proposed legislation is presented as an emergency bill.

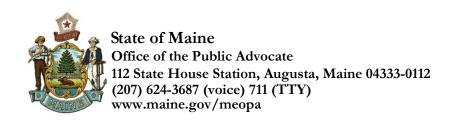
After discussions with the Commission, we have redrafted Section 2 of the bill as detailed in Attachment C. We think this gives more clarity and direction regarding what information is needed to carry out the OPA's data-driven investigation.

Thank you for your time, attention, and consideration of this testimony. The Office of the Public Advocate looks forward to working with the Committee on LD 860 and will be available for the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

Heather Sanborn Public Advocate

³ Docket No. 2024-00090



Attachment A

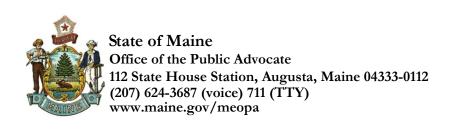
Table 3.2⁴ shows the average price each CEP charged residential customers separately for each of the eight years spanning 2016 through 2023. The average price paid to CEPs is calculated by dividing the revenues each CEP reports to EIA by the amount of electricity provided (also reported by each CEP). The average prices highlighted in green indicate CEPs that charged less (in aggregate) than the standard offer rate (in grey) for that year. It is notable that the five CEPs with average prices below the standard offer rate in 2023 served only 23 percent of the CEP customers. **This means 77 percent of CEP customers paid** more than the standard offer rate.

Table 3.2 Average Prices Paid by Households to CEPs: 2016 - 2023⁵

CEP	2016	2017	2018	2019	2020	2021	2022	2023
Standard Offer	\$0.065	\$0.067	\$0.079	\$0.090	\$0.073	\$0.064	\$0.118	\$0.170
Agera Energy LLC	\$0.080	\$0.078	\$0.088	\$0.088				
Ambit Energy Holdings, LLC	\$0.071	\$0.076	\$0.081	\$0.099	\$0.082	\$0.071	\$0.124	\$0.173
C. N. Brown Electricity, LLC	\$0.096	\$0.088	\$0.087	\$0.084	\$0.080	\$0.074	\$0.097	\$0.134
Clearview Electric Inc.	\$0.112	\$0.109	\$0.114	\$0.174	\$0.167	\$0.171	\$0.192	\$0.296
Constellation Energy Services, Inc.	\$0.074	\$0.072						
Constellation NewEnergy, Inc		\$0.063	\$0.070	\$0.067	\$0.068	\$0.067	\$0.072	
Electricity Maine, LLC	\$0.104	\$0.099	\$0.106	\$0.121	\$0.121	\$0.121	\$0.140	\$0.227
Energywell LLC							\$0.133	\$0.150
ENGIE Retail, LLC	\$0.085	\$0.066	\$0.090	\$0.095	\$0.091	\$0.092	\$0.138	
FairPoint Energy LLC	\$0.092	\$0.085	\$0.112	\$0.143	\$0.138	\$0.139	\$0.157	\$0.212
First Point Power, LLC	\$0.078	\$0.078	\$0.085	\$0.084	\$0.082	\$0.075	\$0.084	\$0.106
Major Energy Electric Services							\$0.200	\$0.163
Mega Energy of Maine, LLC	\$0.096	\$0.109	\$0.131	\$0.133		\$0.134	\$0.163	\$0.193
North American Power and Gas, LLC	\$0.103	\$0.110	\$0.107	\$0.120	\$0.119	\$0.123	\$0.145	\$0.173
SmartEnergy Holdings, LLC					\$0.073	\$0.095	\$0.162	\$0.181
Town Square Energy			\$0.101	\$0.106	\$0.106	\$0.130	\$0.179	\$0.193
Union Atlantic Electricity			\$0.100					
XOOM Energy Maine, LLC	\$0.088	\$0.092	\$0.110	\$0.099	\$0.111	\$0.106	\$0.164	\$0.136

⁴ Baldwin and Howington, "Is Maine's CEP-Served Residential Electricity Supply Market Affordable?", p. 12

⁵ The standard offer rates shown in this table represent the average standard offer rates of the three service areas weighted by the number of CEP customers in each service area, separately for each year.



Attachment C

Sect. 2. 35-A MRSA §1708 is amended to read:

§1708 Information from utilities and competitive electricity providers

Strike the additional language in line 31. Instead, add new language after line 37 as follows:

"The Commission shall issue an order directing the utilities to provide aggregated, zip codelevel data to the Office of the Public Advocate, substantially similar to that requested by the Office of the Public Advocate in Docket No. 2024-00090, for the purpose of studying the disproportionate impact of competitive electricity provider rates on low-income customers. The Commission may issue additional orders directing utilities and competitive electricity providers to provide data to the Office of the Public Advocate for the purposes of carrying out its duties under 35-A MRSA §1702, sub-§1."