





#### State of Maine Office of the Public Advocate 112 State House Station, Augusta, Maine 04333-0112 (207) 624-3687 (voice) 711 (TTY) www.maine.gov/meopa

Heather Sanborn Public Advocate

August 29, 2025

Dear Governor Mills, Chairs Lawrence and Sachs, and Members of the Joint Standing Committee on Energy, Utilities, and Technology,

As required by 35-A M.R.S. §1702(6), the Office of the Public Advocate (OPA) submits this Annual Report providing an overview of our Office's work in the prior fiscal year, including advocacy before legislative committees, participation in regulatory proceedings, consumer advocacy and outreach, convening the Electric Ratepayers Advisory Council (ERAC), and facilitating the Nonwires Alternative (NWA) program.

I have served as Public Advocate since my predecessor William Harwood retired on January 31, 2025. Accordingly, more than half of the work of the OPA that is described in this Report occurred under Advocate Harwood's exceptional leadership. The State of Maine owes a debt of gratitude for his fervent advocacy on behalf of Maine consumers, particularly low-income households who struggle to pay their utility bills.

Most notably, Advocate Harwood successfully sounded the alarm, long before most others, regarding the looming exponential growth in stranded costs related to the design of Maine's community solar program. His clear and urgent messaging on this topic set the stage for the critical package of reforms to the community solar program that passed during this year's legislative session. That legislation, LD 1777, will save Maine ratepayers more than a billion dollars over the next 16 years, protect individual customers from being overcharged for credits they can't use, and establish a successor program for distributed energy resources that sets us on a path toward the future. There's no question that such sweeping and necessary legislative reforms would not have been possible without Advocate Harwood's efforts.

The work of the OPA is always a team effort. I was blessed to inherit a very strong staff, comprised of five skilled utility regulatory attorneys, a sharp financial analyst, a kind and patient consumer advocate, a talented legislative liaison, an experienced office administrator, and a well-organized legal assistant. At any given time throughout the year, our attorneys are actively involved in more than 70 proceedings at the Maine Public Utilities Commission, as well as participating in regulatory processes at ISO New England and the Federal Energy Regulatory Commission. This year, we offered testimony on more than 45 bills before the legislature.

More than 70% of our time this year was devoted to electric policy and holding our investor-owned electric utilities to their duty to provide Mainers with safe and reliable service at just and reasonable rates. As we discuss in this Report, reining in solar costs, planning for cost-effective future investments, managing storm costs, and insisting on financial transparency from our utilities were themes of our electricity sector work this year.

In both the gas and water sectors, the word of the year was consolidation, with Unitil seeking approval to acquire both Bangor Natural Gas and Maine Natural Gas, and Maine Water Company seeking to adopt a unified rate schedule across its ten divisions. In each of these cases, the OPA worked to shield customers from paying more as a result of the consolidations and advocated for greater access to low-income assistance programs for customers of the impacted utilities.

Our consumer advising and outreach role continues to provide important value for the state as well. We assist more than 200 consumers each month, helping them navigate complex and confusing issues related to utility bills, solar subscriptions, and competitive electricity suppliers (CEPs). This year, we found several trends in customer complaints, including extreme overallocation and mispricing of solar credits and early termination fees being imposed on small businesses by CEPs. In each of these cases, we were able to advocate on behalf of the affected customers to obtain refunds or bill credits. Our Consumer Advisor Elizabeth Deprey has also attended community forums around the state to bring our office's expertise directly to Mainers who have questions related to utilities, solar, and CEPs.

The OPA has pursued our statutory mission for the past 44 years, earning the respect of customers, legislators, regulators, and regulated utilities alike. This year, thanks in large part to the passage of the LD 1777 solar reforms, the OPA's advocacy resulted in ratepayer savings of over \$1 billion.

As always, much work remains ahead of us. Climate change goals, increasing electricity demand, more frequent and severe weather events, global supply chain conditions, and shifting federal policies all present challenges for affordability of utility rates going forward. But they also each bring with them opportunities for creative, consumer-centric solutions. The OPA will continue to ensure that Maine consumers have a strong voice at the table as we navigate all of these issues in the coming years.

We welcome feedback and questions from Maine consumers and their representatives. Our office at 103 Water Street in Hallowell is open during normal business hours. We can be reached by phone at (207)624-3687 and by email at <a href="mailto:opa@maine.gov">opa@maine.gov</a>.

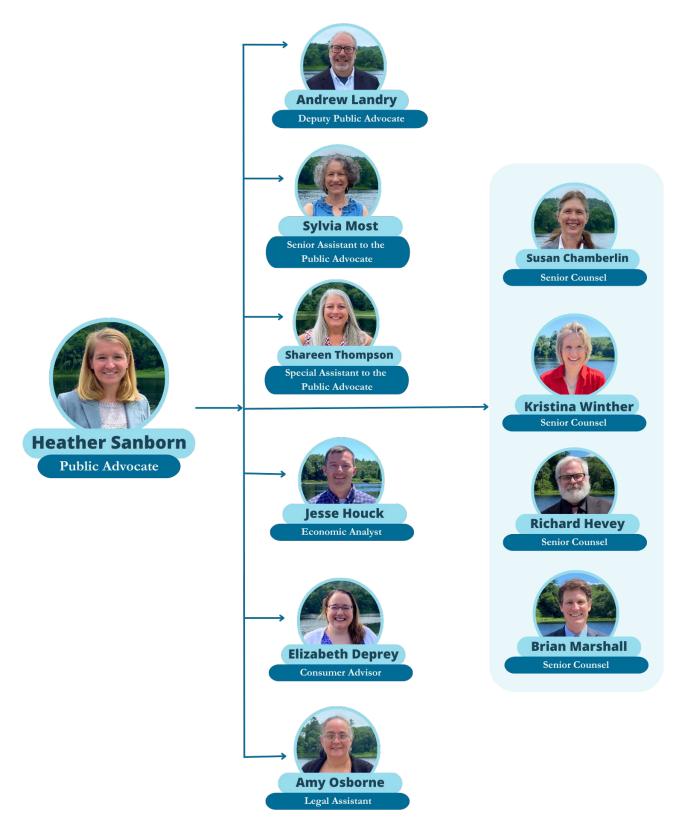
Sincerely,

Heather Sanborn Public Advocate

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# OPA Organizational Chart 2024-25





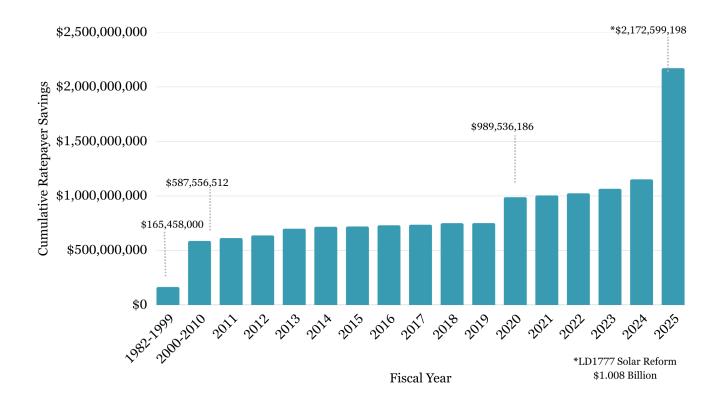
# **Ratepayer Savings**

One of the most important goals of the OPA's work is to save ratepayers money. We accomplish this through advocacy at the Legislature, by opposing unreasonable or excessive utility spending at the Public Utilities Commission, and by helping customers obtain refunds when they have been overcharged by or competitive electricity providers (CEPs). Our work from July 1, 2024 to

solar providers or competitive electricity providers (CEPs). Our work from July 1, 2024 to June 30, 2025 resulted in savings of over \$1 billion.

Source	Reference	Ratepayer Savings
Solar Reform Legislation	LD 1777	\$1,008,044,296
Good Cause Exemption Denials	Multiple	\$3,800,000
Versant Power Stranded Cost Reconciliation	2025-00115	\$2,440,116
Versant Power Request for Distribution Rate Increase	2023-00336	\$1,700,000
Electricity Maine	2023-00024	\$1,315,000
Nonwires Alternative Savings	Multiple	\$1,030,485
Maine Water Company—Camden and Rockland	2024-00291	\$563,637
CMP Storm Cost Recovery	2025-00018	\$270,000
Water Rates for the Loring Development Authority	2024-00300	\$207,006
New England Transmission Owners Formula Rate	FERC Docket ER20-2054	\$140,000
Versant Power Storm Expense Accounting Order	2024-00242	\$100,000
Versant Power—Service Quality Index Penalty	2024-00045	\$90,000
Summit Natural Gas's Efficiency Maine Assessment	2024-00357	\$36,473
Solar Specialized Rate Refunds for Customers	N/A	\$25,000
CEP Early Termination Fee Waivers for Customers	N/A	\$16,000
Solar Overallocation Refunds for Customers	N/A	\$10,000
	Total Savings	\$1,019,788,013

# **Cumulative Ratepayer Savings**





# Legislative Advocacy

The OPA regularly attended public hearings and work sessions of the Joint Standing Committee on Energy, Utilities and Technology (EUT) during the First Regular and First Special Sessions of the 132<sup>nd</sup> Legislature, presenting testimony and answering the legislators' questions.

Of the nearly 100 bills that were addressed by the EUT, we actively worked on approximately 45 of them. As the Committee considers each legislative proposal, the OPA provides legislators with an analysis of how each proposal could impact affordability, particularly for residential customers and low-income households. Our priority areas of engagement this year included solar reform, low-income assistance, and renewable energy procurement policy.

# Highlights of the 132<sup>nd</sup> First Regular and First Special Sessions

- **Reforming Net Energy Billing**: The OPA was instrumental in navigating the complexities of reforming Maine's net energy billing (NEB), resulting in the passage of LD 1777, "An Act to Reduce Costs and Increase Customer Protections for the State's
  - Net Energy Billing Programs," with bipartisan support. The reform package includes substantial ratepayer savings of over \$1 billion over the next 16 years and critical consumer protections for community solar subscribers.
- Investigating the Impact of Competitive Electricity Providers on Low-Income Ratepayers: This new statute authorizes the PUC to release competitive electricity provider (CEP) billing data held by electric utilities, enabling the OPA to investigate CEP rates and assess potential harm to low-income ratepayers.
- Advocating for General Fund Resources for the Low-Income Assistance Program for Electricity: With nearly unanimous support from the EUT, this legislation seeks a \$15 million General Fund allocation to provide \$7.5 million in program funding in each of the next two years. The bill has been carried over to next session.



Heather Sanborn stands with Senate Leadership after the Maine Senate confirmed her nomination for Public Advocate on January 28, 2025.

• <u>Authorizing Approval of Water Ratepayer Assistance Programs</u>: This law codifies the PUC's authority to approve petitions from individual or grouped water utilities to establish low-income assistance programs.

• **Reforming the Energy Procurement Process**: The OPA worked closely with the Governor's Energy Office and other stakeholders to design an energy procurement process that requires that all future contracts are more likely than not to provide benefits to Maine ratepayers in excess of contract costs.

#### **OPA Initiatives**

#### **Solar Reform**

<u>PL 2025, Chapter 430</u> (LD 1777, Rep. Warren, D-Scarborough) "An Act to Reduce Costs and Increase Customer Protections for the State's Net Energy Billing Programs" (Signed June 27, 2025).

The EUT heard many hours of testimony this session on 14 different bills addressing net energy billing, with many calling for its full repeal. The OPA laid out a framework for the development of a package of net energy billing reforms during EUT testimony in early May 2025, by presenting seven questions to the committee:

 Does the package of reforms decouple the costs to ratepayers of the NEB program from unpredictable increases in supply costs and seemingly inevitable increases in distribution costs? Reining in the rising costs of Maine's
Net Energy Billing (NEB) program & protecting ratepayers.

Breaks the costly link between solar payments & utility rate hikes.

Introduces new protections for solar customers.

Right-sizes payments for large front-of-the-meter solar farms.

Lets solar farms choose a steady, fixed-price contract instead of constantly looking for new customers.

Sunsets the current NEB program to build a better one & incentivize storage.

- Does the package of reforms bring the costs to ratepayers of the NEB program roughly in line with some reasonable model of the benefits to Mainers of the program?
- Does the package of reforms provide significant ratepayer savings over the next 20 years?
- Does the package of reforms **avoid a wave of bankruptcies** of solar projects that could harm Maine municipalities, businesses, and individuals who thought they were doing the right thing by investing in distributed generation under a program designed by the Maine Legislature?
- Does the package of reforms **include consumer protections** that alleviate customer concerns about community solar billing and marketing practices?
- Does the package of reforms point to **a program design for future distributed generation** to be built in Maine without adding to ratepayer costs?
- Does the package of reforms provide a durable solution that won't need to be revisited by the Legislature year after year?

In crafting LD 1777, the OPA, the bill's sponsor, and a coalition of stakeholders navigated the complexities of solar reform to create a comprehensive package of solutions that addressed

each of these questions, saving ratepayers money and charting a path to what's next for solar in Maine. The final legislation passed both the House and Senate with bipartisan support in the final hours of the session.

In crafting LD 1777, the OPA, the bill's sponsor, and a coalition of stakeholders navigated the complexities of solar reform to create a comprehensive package of solutions, saving ratepayers money and charting a path to what's next.

### What does LD 1777 do?

- **Fixes flaws** in the current net energy billing programs that have led to over \$235 million in additional costs for Maine electricity consumers each year and reins in runaway compensation rates for community solar developers.
- Creates a fairer solar program by ending the link between solar developer compensation and rising utility rates.
- Protects consumers from having to pay for more credits than they can use.
- Exempts rooftop and cooperatively owned solar from changes, protecting the investments of Maine homeowners, municipalities, and businesses.

The OPA's modeled cost savings from LD 1777 total \$61 million in 2026 and an average of \$75 million per year over the next 16 years. The net present value of that direct ratepayer savings is more than \$1 billion. More details on the law are available on the OPA's <u>website</u>.

# Access to Data to Evaluate the Impact of Competitive Electricity Supply

PL 2025, Chapter 123 (LD 860, Rep. Sachs, D-Freeport) "An Act to Allow the Public Advocate to Obtain Information from Public Utilities, Competitive Electricity Providers and Standard-offer Service Providers" (Emergency Signed May 29, 2025).

The OPA and the Electric Ratepayer Advisory Committee (ERAC) have been engaged in a multi-year effort to investigate CEP rates and assess potential harm to Maine consumers, particularly low-income households. ERAC's 2024 Annual Report to the Legislature included a study, "Is Maine's CEP-Served Retail Residential Supply Market Affordable?" which presented a detailed description of overcharging of Maine electricity ratepayers by CEPs. But a follow-on study looking specifically at the impact on low-income customers has been thwarted by uncertainty about the OPA's authority to obtain the data needed to conduct the research. With this law, passed with an emergency preamble, the OPA gains the ability to obtain the data needed to conduct our investigation. Using the authority provided in the bill, the OPA successfully petitioned the PUC for an order, issued in summer 2025, requiring the utilities to provide the requested information so that we could proceed with the analysis (Docket No. 2025-00191).

### **Funding Low-Income Electric Ratepayer Assistance**

LD 995 (Rep. Sachs, D-Freeport), "An Act to Provide Funding for Low-Income Electric Ratepayer Assistance" (Carried over to the Second Regular Session).

Funding the Low-Income Assistance Program (LIAP) is a key ERAC concern, as finding funds to address the \$85 million electricity affordability gap detailed in their <u>report</u> last year will become more acute with increased enrollment anticipated from the implementation of auto-

This legislation moved to the full Legislature with nearly unanimous support from the EUT, seeking a \$15M General Fund Allocation to provide \$7.5M in Low-Income Assistance (LIAP) funding in each of the next two Program Years.

enrollment by DHHS beginning program year 2026. This legislation moved to the full Legislature with nearly unanimous support from the EUT, seeking a \$15 million General Fund Allocation to provide \$7.5 million in Low-Income Assistance (LIAP) funding in each of the next

two Program Years. The goal is to replace the Special Revenue allocated in the previous biennial budget that is not included in the Governor's budget for FY 26-27. The bill was passed in both Houses and sits on the Appropriations Table, carried over to the Second Regular Session. The PUC plans to utilize reserve funds to fill the gap in the coming program year, and the OPA will continue to advocate for this funding in the Second Regular Session.

### **Enabling Low-Income Water Ratepayer Assistance**

<u>PL 2025, Chapter 137</u> (LD 241, Sen. Lawrence, D-York) "An Act to Authorize the Public Utilities Commission to Approve Rate Adjustments for Low-Income Water Utility Ratepayers" (Signed May 29, 2025).

A growing number of Maine households struggle to afford their water bills. A <u>recent study</u> by OPA consultant David Fox estimated this affordability gap to be over \$5 million per year. This new statute, drafted with assistance of a stakeholder group, codifies the PUC's authority to approve petitions from individual or grouped water utilities to establish low-income assistance programs. These programs may offer eligible residential customers a discount or credit on their water bills, helping to reduce the financial burden on low-income households. We anticipate that this law will provide a clear pathway, particularly for Maine's investorowned water utility, to begin addressing Maine's growing water affordability gap.

### **New Laws Strengthen Ratepayer Protections in Energy Procurements**

Three new laws include a ratepayer-beneficial procurement standard, strongly advocated by the OPA during the legislative session.

- PL 2025, Chapter 392 (LD 597) "An Act to Direct the Public Utilities Commission to Conduct Procurements for Energy or Renewable Energy Credits" (Emergency Signed June 20, 2025).
- PL 2025, Chapter 476 (LD 1270) "An Act to Establish the Department of Energy Resources" (Signed July 1, 2025).

• PL 2025, Chapter 386 (LD 1868) "An Act to Advance a Clean Energy Economy by Updating Renewable and Clean Resource Procurement Laws" (Signed June 20, 2025).

In each of these laws, the PUC may only approve a power purchase agreement if the agreement is "reasonably likely to provide benefits to ratepayers in the State in excess of any costs to ratepayers as a result of the contract." Only after this threshold is met may the PUC consider broader societal benefits in its evaluation.

The OPA worked with stakeholders to develop this language and strongly supports this new standard, which ensures that programs and contracts deliver tangible economic value to ratepayers, before other considerations come into play.

The Public Utilities Commission may only approve a power purchase agreement if the agreement is "reasonably likely to provide benefits to ratepayers in the State in excess of any costs to ratepayers as a result of the contract."

<u>PL 2025, Chapter 392</u> (LD 597, Sen. Lawrence, D-York) "An Act to Direct the Public Utilities Commission to Conduct Procurements for Energy or Renewable Energy Credits" (Emergency Signed June 20, 2025).

This bill directs the PUC to conduct an immediate request for proposals, prioritizing the procurement of renewable resources located on contaminated land. The bill incorporates the ratepayer beneficial standard of review and a negative pricing provision that helps ratepayers by limiting their exposure to grid congestion risk. The OPA's testimony included multiple recommendations that were incorporated into the final language, specifically in section 3210-J, reducing the length of the contract term from 20 to 10 years, adding the ratepayer-beneficial standard of review, and removing the price cap that was included in the original bill.

<u>PL 2025, Chapter 476</u> (LD 1270, Rep. Runte, D-York) "An Act to Establish the Department of Energy Resources" (Signed July 1, 2025).

This comprehensive new law converts the Governor's Energy Office (GEO) into a cabinet-level Department, similar to the structure in other New England states. Part of this change moves some responsibility for the procurement of renewable energy resources from the Public Utilities Commission to the new Department. The OPA worked closely with the GEO and other stakeholders to design a multi-step energy procurement with significant ratepayer protections. Specifically, the bill states that, "the Department may not select a proposal for a contract award unless the Department determines the proposal is reasonably likely to provide benefits to Maine ratepayers in excess of any costs to Maine ratepayers as a result of the contract." Once this standard of review is met, then other factors, such as economic development benefits, may be considered.

<u>PL 2025, Chapter 386</u> (LD 1868, Sen. Lawrence, D-York) "An Act to Advance a Clean Energy Economy by Updating Renewable and Clean Resource Procurement Laws" (Signed June 20, 2025).

This bill updates the original Renewable Portfolio Standard of 100% renewable sources of energy by 2050, to 90% renewable by 2040 with a complimentary 10% clean energy standard by 2040. The law adds a definition of a "Class III" resource or "clean resource" which includes nuclear, large hydro, other resources that meet DEP-established emissions standard and includes all of the portfolio requirements associated with the new resource definition. Finally, it clarifies PUC authority to enter regional procurements for clean resources. The OPA worked with the bill sponsor and stakeholders to ensure that the resource procurement standard in this bill conformed to the relevant ratepayer-protective provisions in the other two energy procurement bills this session.

# **Other Important Legislation**

### Refining the Role of the Office of the Public Advocate

The Legislature passed two bills this session directly affecting the OPA itself:

<u>PL 2025, Chapter 118</u> (LD 837, Sen. Lawrence, D-York) "An Act to Require Positions Taken by the Public Advocate to Be Consistent with the Cost-effective Implementation of the State's Greenhouse Gas Emissions Reductions Obligations" (Enacted Unsigned, May 27, 2025).

This law affirms the core mission of the OPA to advocate for ratepayers, directing the OPA to advance cost-effective climate

change mitigation strategies. The OPA worked closely with the EUT Committee to amend the original bill language to ensure that consumer interests would remain the guiding principle of the OPA's

The OPA will continue to advance cost-effective climate strategies, while prioritizing affordability and value for Maine ratepayers in regulatory and legislative matters.

work. Following adoption of this legislation, the OPA will continue to advocate for costeffective climate strategies, prioritizing affordability and value for Maine ratepayers in regulatory and legislative matters as we have in the past.

<u>PL 2025, Chapter 406</u> (LD 861, Rep. Warren, D-Scarborough) "An Act to Prohibit the Public Advocate and a Commissioner of the Public Utilities Commission from Certain Employment Activities Following Service" (Enacted Unsigned, June 24, 2025).

As originally drafted, this bill proposed a five-year post-employment restriction on what types of employers the Public Advocate could work for after state service—a restriction significantly longer and differently worded than for other state officials. The OPA worked with the bill sponsor to align the restriction with standard executive branch ethics policies, resulting in a one-year prohibition on certain lobbying and advocacy activities consistent with Maine's

existing practices and those of neighboring states. The final law also extends the same oneyear restriction to Public Utilities Commission Commissioners.

### **Modifying PUC Authority to Promote Energy Affordability**

<u>PL 2025, Chapter 196</u> (LD 186, Rep. Runte, D-York) "An Act to Clarify the Public Utilities Commission's Authority to Establish Time-of-use Pricing for Standard-offer Service" (Signed June 9, 2025).

The OPA testified in favor of this bill which formalized the PUC's authority to embark on a time of use (TOU) rate design. The OPA argued that a properly designed TOU program has the potential to save ratepayers

money. However, while time of use pricing offers the potential to drive down costs and help the State achieve its climate goals, the proper implementation of time of use pricing is critical to its success and presents challenges.

Any new time of use rate design should be offered on a voluntary, opt-in basis, rather than as a mandate or with an opt-out design and will require an extensive and effective customer education program.

Specifically, any new time of use rate design should be offered on a voluntary, opt-in basis, rather than as a mandate or with an opt-out design and will require an extensive and effective customer education program. The PUC has now opened an investigation, and the OPA will continue to advocate on behalf of customers for a well-designed opt-in TOU program (Docket No. 2025-00176).

<u>PL 2025, Chapter 198</u> (LD 301 Rep. Sachs, D-Freeport) "An Act to Allow the Public Utilities Commission to Use Quantitative Metrics and Rate-adjustment Mechanisms in a Proceeding for a General Rate Increase" (Signed June 9, 2025).

This bill as originally drafted would extend the availability of performance-based metrics in rate design to "any proceeding." The OPA argued successfully that this authority was too broad, suggesting that the bill be amended to specify that performance-based metrics and rate-adjustment mechanisms must be adopted through an adjudicatory proceeding in which the PUC is required to make a finding that rates are just and reasonable.

<u>PL 2025, Chapter 52</u> (LD 568, Sen. Harrington, R-York) "Resolve, Directing the Public Utilities Commission to Evaluate Different Procurement Methods for Standard-offer Service" (Signed June 9, 2025).

The OPA assisted in re-tooling the original bill into this resolve which requires the PUC to evaluate different methods of electricity procurement, such as "laddering" to:

- Improve bid quality and quantity,
- Lower electricity rates for customers, and
- Increase electricity rate stability.

<u>PL 2025, Chapter 115</u> (LD 1080, Rep. Sachs, D-Freeport) "An Act Prohibiting Public Utilities from Requiring Deposits Based Solely on a Residential Customer's Income" (Signed May 23, 2025).

This statute prohibits utilities from requiring a security deposit from a residential customer solely based on the customer not having a regular source of income. Maine statutes already clearly set a default rule that residential consumers should not be charged a deposit prior to being able to establish electricity service in their homes. To override this default rule, the burden is on the utility to prove that the customer is likely to be a credit risk. The statute further clarifies that the lack of prior history as a customer is not sufficient proof of credit risk. Thus, under existing statute, the utility must have some particularized evidence to prove that a new customer is a credit risk. But under the PUC's rules applying this statute, our utilities were allowed to consider a customer's lack of a regular source of income alone as sufficient proof that they were a credit risk. The Committee heard testimony from domestic violence and immigrant advocates indicating that this security deposit requirement created real problems for their clients. The OPA applauds the bill's passage to solve this issue.



Pictured L to R at a tour of ISO-NE's Holyoke Facility: Eric Johnson, ISO-New England; Sylvia Most, OPA; Representative Gerry Runte D-York; Public Advocate Heather Sanborn; Senator Matt Harrington R-York; Senator Mark Lawrence D-York; Representative Reagan Paul R-Winterport; Representative Sophie Warren D-Scarborough; Representative Mathew McIntyre R-Lowell; Representative Nathan Wadsworth R-Hiram; and Melissa Winne, ISO-New England. Photo credit: Trace Meek, ISO New England

<u>PL 2025, Chapter 391</u> (LD 1792, Sen. Grohoski, D-Hancock) "An Act to Ensure Fair and Equitable Recovery of Post-restructuring Stranded Costs" (Emergency Signed June 20, 2025).

This legislation codifies a rate design that redistributes community solar-related stranded costs, aggregating those costs statewide and shifting some extra burden for paying them onto residential customers and away from industrial customers. The bill came in response to the PUC's rate design order which had caused exceptionally large bill increases for certain industrial customers in Versant Power's territory. The OPA had supported the original stipulated agreement on which the legislation was based because that negotiated settlement had included a provision for LIAP funding. However, the PUC rejected the settlement

agreement and indicated that LIAP funding should not be tied to rate design in this manner. At the public hearing on the bill, the OPA urged the Committee to focus on overall savings from solar reform through LD 1777, rather than legislating a particular rate design through statute. The OPA is now actively working to mitigate the impact of the implementation of this new rate design on residential customers and small businesses by ensuring that the savings related to LD 1777 are incorporated into rates at the same time. The PUC's proceeding is ongoing (Docket No. 2024-00137).

### **Investigating New Technologies and Planning**

<u>PL 2025, Chapter 39</u> (LD 300, Rep. McIntyre R-Lowell) "Resolve, to Direct the Public Utilities Commission to Study Expanding the Use of Hydroelectric Power and the Development of a Geothermal Power Plant in the State" (Signed May 29, 2025).

Mainers would benefit from a data-driven investigation to maximize the use of our own hydroelectric resources and assess potential for enhanced geothermal development.

The OPA testified that Mainers would benefit from a data-driven investigation to maximize the use of our own hydroelectric resources and assess potential for enhanced geothermal development. The OPA believes that advancing homegrown

renewable energy can align with ratepayer interests—provided the technology is available, safe, and ready for deployment. The Committee agreed with the OPA's recommendation that the Governor's Energy Office was the correct agency to conduct this study rather than the PUC.

<u>PL 2025, Chapter 293</u> (LD 1726, Rep. Runte, D-York) "An Act to Enhance the coordination and Effectiveness of Integrated Distribution Grid Planning" (Signed June 12, 2025).

The OPA strongly supported provisions in this bill requiring the PUC to conduct a review of the nonwires alternative (NWA) investigation and recommendation process. A thorough review is warranted and could help to identify opportunities to improve the NWA process so that it produces more meaningful ratepayer savings in the future. The OPA looks forward to participating in the review of the NWA process, along with the PUC, Efficiency Maine, and other stakeholders.

# **Bringing the Utility Consumer Affordability Lens to Other Committees**

We read every bill as it is printed and appear in other committees to bring an affordable energy focus to debates in other areas. This year, the OPA appeared before the Judiciary Committee, the Housing and Human Services Committee, the Environment and Natural Resources Committee, and the State and Local Government Committee.

PL 2025, Chapter 99 (LD 251, Sen. Lawrence, D-York) "An Act to Protect the Confidentiality of Information of Individual Customers of a Public Utility" (Signed May 23, 2025).

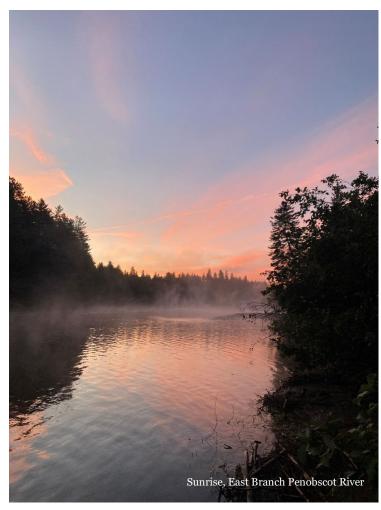
The OPA collaborated with the PUC to draft a bill to clarify that confidential ratepayer information held by state agencies—including the PUC, the OPA, and many consumer-owned

utilities—is exempt from disclosure under Maine's Freedom of Access Act. The law provides clear statutory protection for customer data that is currently safeguarded under existing PUC rules or subject to a protective order. However, clarification was required to ensure that this protection extended to other state and municipal agencies, including municipal utility districts and the OPA's consumer advisory function. During deliberations in the Judiciary Committee, an amendment was added to extend these privacy protections to customers of sanitary districts as well.

PL 2025, Chapter 330 (LD 889, Rep. Meyer, D-Eliot) "An Act to Clarify the Release of Information by the Department of Health and Human Services in the Law Regarding Automatic Referrals" (Emergency Signed June 17, 2025).

The OPA has been working with the PUC and the Department of Health and Human Services (DHHS) to develop an automatic referral process to increase the number of clients served by the Department who are automatically enrolled in the Low-Income Assistance Program for electric bill support. The OPA testified at the Health and Human Services Committee in favor of this rule change to enable this process to move forward, by allowing a DHHS client to opt out of authorizing the release of information to a utility.

<u>LD 1458</u> (Sen. Hickman, D-Kennebec) "An Act Regarding Compensation Fees and Related Conservation Efforts for Solar and Wind Energy Development



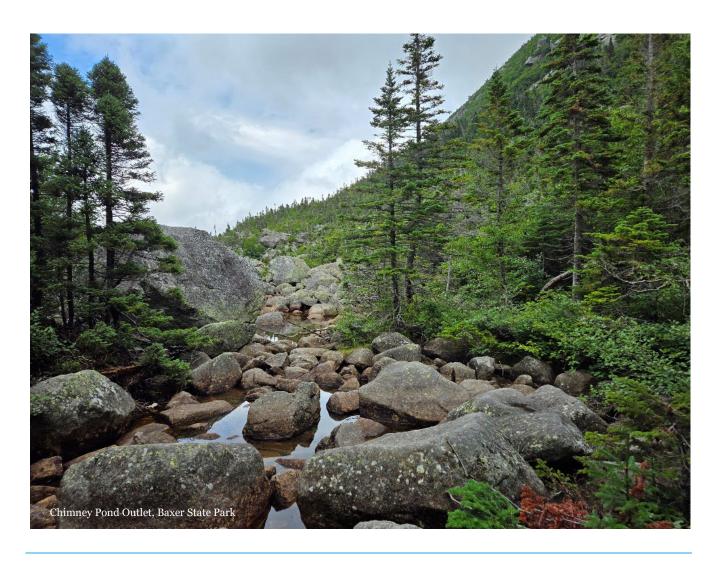
and High-impact Electric Transmission Lines Under the Site Location of Development Laws" (Ought Not to Pass May 29,2025).

The OPA opposed this measure on the basis that large impact fees such as those proposed in this bill would ultimately be passed along to ratepayers, unnecessarily increasing the costs of needed transmission line development. It was important that the Environment and Natural Resources Committee heard from the OPA to bring a ratepayer viewpoint into the conversation.

<u>PL 2025, Chapter 70</u> (LD 1494, Rep. Doudera, D-Camden) "Resolve, Directing the Office of Procurement Services to Study Adapting the Procurement Process to the State Climate Action Plan" (Signed June 12, 2025).

This bill, which was intended to develop a process for ensuring that the general procurement process used by state agencies aligns with climate goals, was broadly worded in a way that could have been interpreted to authorize the Office of State Procurement Services to study energy procurements by the PUC for alignment with climate goals. Since energy procurements are directly about climate goals, such a study would not make sense. The Public Advocate worked with the bill sponsor and the State and Local Government Committee to revise the language and clarify that energy procurement was not within the scope of the resolve.

The OPA published testimony on these and other bills during the legislative session on our website.





As Maine moves closer to achieving its clean energy and greenhouse gas emission reduction goals, the OPA continues to represent the interests of those who pay the costs of climate policies within their utility rates. The OPA seeks

the lowest cost means of meeting state climate goals, so all ratepayers receive the benefits of clean energy at affordable costs. Planning is a critical part of ensuring affordability.

# **Utility Electric Grid Planning Updates**

Utilities are in the process of developing their integrated grid plans as required by Maine law (35-A M.R.S. §3147) and directed by the PUC (Docket No. 2022-00322). Utility investments, and resulting electric rate increases, are tied to the information used in system planning. It is important, therefore, that utilities neither over nor underestimate the impacts of climate change, increased electric use for heating and transportation, and other future impacts on the system. The OPA is working to ensure investments are rightsized for actual customer needs, not oversized for projected but unrealized expectations.

The PUC's Integrated Grid Planning order directs utilities to develop forecasts based on regional data from the Independent System Operator of New England (ISO-NE). ISO-NE puts out an annual report forecasting the Capacity, Energy, Load, and Transmission needs of the regional transmission system (CELT Report). Versant and CMP are adding an additional analysis with more detailed local load projections for their grid planning forecast.

### **Purposes of Grid Design**

The grid design is intended to:

- Reflect increases in Distributed Energy Resources (DER) such as solar, wind and battery storage projects,
- Promote cost effective nonwires alternative solutions,
- Include climate change adaptation measures, and
- Prepare for increasing use of electric vehicles and heat pumps.

The PUC identified three milestones that trigger an opportunity for stakeholder comments. These milestones are when the utility:

- Develops the data for its system planning models,
- Identifies system needs from its models, and
- Creates a plan for meeting these system needs.

Your trusted source for utility information



CMP and Versant have both met the first two milestones and are now developing their plans to be filed with the Commission on January 12, 2026. The goal is to ensure that the system remains reliable and affordable to meet customer needs going forward. CMP's full meeting materials and meeting recordings are available online and feedback can be directed to

gridandclimateplanning@cmpco.com.

Interested stakeholders may comment on Versant's plans by contacting <a href="mailto:gridandclimate@versantpower.com">gridandclimate@versantpower.com</a>.

### Stakeholders Support Initiative to Increase Energy Storage in Maine

The contributions of energy storage systems to meet state energy, climate, and resiliency goals are increasingly important as Maine and other states transition to a clean energy-based electric system. Stakeholders weighed in on the Public Utilities Commission's review of program designs to procure 200 MW of commercially available utility-scale energy storage. (Docket No. 2025-00148). The numerous filings reveal an active stakeholder community eager to invest in energy storage systems that are crucial to achieving state policy goals.

All of the commenters expressed support for the initiative to increase Maine's energy storage resources. Stakeholders identified benefits of energy storage, including:

- Increased local renewable energy penetration
- Reduction in peak demand
- Capacity value in the regional market
- Ancillary services—frequency regulation, voltage support, and spinning reserves
- Arbitrage revenue
- Price suppression
- Potential for deferred grid investments
- Reduced curtailment of renewable energy
- Carbon emissions reductions
- Reduced outages and shorter outage recovery time

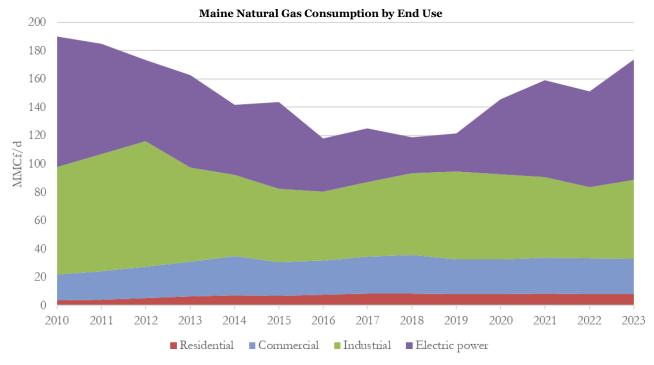
Stakeholders suggested modifications to improve the incentive design. The OPA and several long duration energy storage (LDES) developers recommended incentive structures to recognize that storage systems with greater than ten hours of discharge capacity add additional value to the grid.

### Re-evaluating the Future of Natural Gas in Maine

The PUC recently opened an inquiry seeking to align gas utility regulation with state greenhouse gas (GHG) emission goals (Docket No. 2025-00145). The stated goals of the inquiry are to:

- Develop a consistent methodology to evaluate the GHG emissions impact on PUC decision-making for gas infrastructure investments (such as pipeline extensions) and contractual commitments for supply (natural gas purchases) or capacity (pipeline use) needed to serve customers.
- Evaluate the consistency of these investments with state goals.
- Assist in evaluating a broader path for the future of natural gas in Maine.

The OPA is focused on limiting the cost impact to ratepayers of efforts to reduce GHG emissions from the natural gas sector. It is important to tailor climate policy and regulations to the specific circumstances of the State of Maine. For example, the great majority of gas consumption by customers in Maine is by the industrial sector—not by residential or commercial customers.



Source: Energy Information Administration. Graph presented in Comments of the Public Advocate, Docket No. 2025-00145, June 13, 2025.

This in turn leads to significantly more CO<sub>2</sub> emissions from gas combustion from the industrial sector than from the residential sector. It is essential to ensure that residential customers are not allocated an undue share of GHG reduction costs related to a future transition away from natural gas. The PUC inquiry is on-going.



# Electricity

# OPA Secures \$6 Million in Customer Refunds and an Administrative Penalty Against Electricity Maine

In late 2022, Electricity Maine, a competitive electricity provider, began charging its residential customers a variable rate for electricity supply of approximately 40 cents per kWh, more than double the standard offer rate in effect at the time. Electricity Maine did this without notifying its customers of what rate they would be charged ahead of time and without obtaining their consent to a variable rate contract. Understandably, the Commission and the OPA received hundreds of complaints from customers and the Commission opened an investigation (Docket No. 2023-00024).

The OPA intervened in the investigation and filed lengthy testimony documenting Electricity Maine's multiple violations of Maine's consumer protection laws and rules.

Despite the seriousness of Electricity Maine's conduct, the Commission's Advocacy Staff agreed to a settlement that included just two months of customer refunds, no penalty, and minimal prospective protections for Electricity Maine's variable rate customers.

The OPA vigorously opposed the settlement and in a 2-1 decision, the Commission agreed

with the OPA and rejected the settlement agreement between Advocacy Staff and Electricity Maine.

After the initial settlement was rejected, the OPA worked to secure a much more favorable settlement that included three months of refunds The OPA worked to secure a much more favorable settlement that included three months of refunds (up to \$6 million), a \$315,000 administrative penalty, and an additional 18-month rate cap on Electricity Maine's variable rate.

(up to \$6 million), a \$315,000 administrative penalty, and an additional 18-month rate cap on Electricity Maine's variable rate. The OPA's advocacy directly led to incremental ratepayer savings of \$1.315 million.

The Commission unanimously approved the revised settlement agreement.

# **OPA Successfully Opposes Multiple Good Cause Exemptions for Solar Projects** that Missed Program Deadlines

In 2021, the Legislature amended the net energy billing (NEB) law to impose development deadlines that projects must achieve to be eligible for the program.

The most significant of these deadlines requires that projects over 1 MW must have reached commercial operation by the end of 2024. Due to lengthy cluster studies, long construction timelines, and other reasons, many proposed NEB projects failed to meet this deadline. The statute included a provision that allows a developer to seek a "good cause exemption" if they could show that an "external delay" outside of their control prevented them from achieving the deadline. Many developers filed requests for good cause exemptions in 2024 and the first part of 2025.

In total, the OPA intervened in and opposed 28 good cause exemption requests, some involving multiple projects. Of these 28 cases, the Commission granted good cause exemptions in just four of them. Below is a table showing the case name, docket number, and result.

The OPA opposed good cause exemptions because each project admitted into the NEB program would increase stranded costs for ratepayers for 20 years.

The OPA estimates that the good cause denials, excluding those that were included in last year's annual report, will save ratepayers approximately \$26.9 million over the next 20 years. The OPA's advocacy directly led to the denial of the good cause exemption recommended by Commission Staff in Ellsworth Solar (Docket No. 2024-00108, appeal pending) resulting in total ratepayer savings over 20 years of approximately \$3.8 million.<sup>1</sup>

Name	Docket Number	Result
Snakeroot Solar	2023-00236	Denied, Affirmed on Appeal
Pembroke	2023-00304	Granted
USS Maple Solar	2023-00328	Denied
Ellsworth Renewables	2023-00333	Granted
Green Ash	2023-00334	Granted
Roxbury Solar	2024-00043	Denied
MEVS Pulk	2024-00076	Withdrawn
Penobscot Solar	2024-00091	Denied, Appeal Dismissed
Ellsworth Solar	2024-00108	Denied, Appeal Pending
DG Maine	2024-00118	Denied
Hog Bay Solar I	2024-00131	Granted
Gorham Solar	2024-00160	Withdrawn
Nautilus	2024-00163	Withdrawn
Trenton Solar	2024-00183	Pending
Aspen Power Partners	2024-00194	Withdrawn
Franklin ME 1	2024-00207	Withdrawn
Lincoln ME 2	2024-00208	Withdrawn
Lebanon West	2024-00216	Withdrawn

<sup>&</sup>lt;sup>1</sup> Assuming an 18% capacity factor and 6 cent per kWh NEB subsidy.

Name	Docket Number	Result
Berwick Hubbard	2024-00217	Withdrawn
Acadia Energy	2024-00262	Withdrawn
Alpine Street Solar	2024-00297	Withdrawn
MSD Galbraith	2024-00322	Pending
Sheridan Road Solar	2024-00367	Withdrawn
Nextgrid Mahogany	2024-00376	Withdrawn
Nextgrid Potomac	2024-00377	Withdrawn
Houlton Road Solar	2024-00379	Withdrawn
Trenton Solar Development	2025-00049	Pending
Hanson Ridge	2025-00103	Pending

### Law Court Sides with the OPA and PUC in Good Cause Exemption Appeal

In July 2025, in a unanimous decision the Law Court upheld the PUC's denial of a good cause exemption to Snakeroot Solar, a 5 MW solar facility seeking to participate in net energy billing. As discussed above, projects larger than 1 MW needed to reach commercial operation by the end of calendar year 2024 to be eligible for the NEB program. Projects that failed to meet this deadline are allowed to petition the Commission to issue a good cause exemption, notwithstanding their failure to meet this deadline if they can demonstrate that there was an "external delay" outside of the control of the project that caused the project to miss the deadline.



The Commission denied Snakeroot Solar's petition, and Snakeroot appealed arguing that the Commission erred in concluding that a lengthy interconnection study was not an "external delay" but an inherent part of the development process.

The decision required the Law Court to interpret, for the first time, the good cause exemption language in 35-A M.R.S. § 3209-A(7). In interpreting the relevant language, the Court agreed with the OPA that

The Law Court agreed with the OPA that the purpose of the 2021 amendments to the NEB law was to rein in the costs of NEB.

the purpose of the 2021 amendments to the NEB law was to rein in the costs of NEB. The Court further found that the Commission's conclusion that Snakeroot's interconnection study was not an external delay was reasonable.

The decision is a victory for ratepayers who must pay for the expensive NEB program in stranded cost rates. The OPA is participating in two other pending appeals of good cause exemption denials. This decision will be a helpful precedent for these other cases, which the OPA will argue should receive the same result.

# OPA Requests Commission Investigation Over Violations of Discrete Generator Requirement for Participation in NEB

Through its participation in the good cause cases identified above, the OPA learned that certain generators did not meet the Commission's discrete generator requirement to participate in NEB. Under Commission rules, to be eligible for NEB a project must be "discrete" from other projects and meet the size limitations of the NEB rule. In many cases, however, a developer would break a larger project into multiple parts to take advantage of economies of scale while also receiving the generous subsidies of the NEB program. The Commission adopted a nine-part test to determine whether projects were truly discrete facilities and not part of a larger facility.

The OPA learned that multiple projects currently participating in NEB are not discrete because they are located next to each other and were developed by the same original developer.... This is strong evidence that these facilities are not discrete generators and should be immediately disqualified from the NEB program.

The OPA learned that multiple projects currently participating in NEB are not discrete because they are located next to each other and were developed by the same original developer. The OPA learned that at least three facilities participating in NEB, were part of a "common scheme of development," as determined by the Maine DEP for purposes of Maine's Site Location of

Development Act. This is strong evidence that these facilities are not discrete generators and should be immediately disqualified from the NEB program.

To date, despite the OPA's request and the strong evidence presented in the OPA's initial filing, the Commission has not opened the requested investigation (Docket No. 2025-00063).

# **OPA Challenges Versant Rate Request**

In March 2024, Versant Power filed a request to increase its distribution rates by \$35.5 million, or approximately 25%, which would have represented an increase of about \$12 per

month for a typical residential customer who uses 500 kWh per month. In August, Versant increased its request by another \$2 million. In addition to this increase, Versant sought approval for a storm cost reconciliation mechanism that would allow it to automatically defer for future recovery any restoration costs that exceed budgeted amounts. Versant's request was driven largely by an aggressive capital budget, which Versant argued was necessary to improve system reliability (Docket No. 2023-00336).

Throughout the case, the OPA actively challenged Versant's request and developed its own calculation of Versant's need for revenue. The OPA recommended that the increase be reduced by approximately \$9.6 million. Following hearings and briefing, on March 13, 2025, the PUC approved an increase of approximately \$32 million, or 23%, which took effect on April 1. For a typical residential customer, this represents about an \$11 increase per month.

In its final Order, the PUC reduced the distribution rate increase allowed for Versant Power by approximately \$1,700,000 to reflect specific recommendations made by the OPA, including adjustments to cash working capital, unfilled employment positions, taxes, and procurement.

In its final Order, the PUC reduced the distribution rate increase allowed for Versant Power by approximately \$1,700,000 to reflect specific recommendations made by the OPA, including adjustments to cash working capital, unfilled employment positions, taxes, and procurement.

The approved distribution revenue requirement does not fund all the investments that Versant was seeking to make. Rather, the PUC approved a pace of investment that it believes will be more affordable for Versant's customers. As part of the Order, the PUC established service quality requirements to ensure that the investments being made by Versant are indeed providing improved reliability. The PUC also encouraged Versant to, in its next distribution rate filing, consider proposing a multi-year alternative rate plan that "incorporates a well-conceived, detailed, and measured investment and operational plan that is designed to achieve Versant's goals at a measured and relatively affordable pace."

# Commission Agrees with OPA in Denying Request for Protective Order for Avangrid Financial Filings

In a July 2025 decision, the Commission rejected Avangrid's request for a protective order to make its quarterly financial filings confidential in Docket No. 2016-00029.

After Commission Staff denied Avangrid's request in May, Avangrid filed a request for reconsideration with the Commission, which the OPA strenuously opposed. The Commission denied the request for reconsideration for two reasons, both argued by the OPA. First, the Commission's decision exempting the recent take-private transaction in which Iberdrola acquired all minority shares of Avangrid, Inc. to take the company private (Docket No. 2024-00117), was premised in part on the continued public availability of Avangrid's financial information.

Second, the Commission found that Avangrid had not made a sufficient showing to shield the entirety of its filings from the public. The Commission noted that Avangrid had filed the financial information publicly for many years and had not identified any instances where it had suffered competitive harm from these disclosures.

# **OPA Secures Stranded Cost Rate Reduction for CMP Customers and Identifies Costs for Possible Exclusion from Rates**

In June 2025, the PUC approved a settlement agreement between CMP and the OPA over the July 1 rate change related to stranded costs (Docket No. 2025-00019). These costs are primarily driven by the State's net energy billing program. The settlement agreement included a \$2 million reduction to CMP's forecast of NEB costs for the upcoming stranded cost rate year.

As part of this proceeding, CMP requested, for the first time, recovery of costs related to a contract it entered with the City of Lewiston in the 1980s. The OPA opposes recovery of these costs. Under the settlement agreement, CMP and the OPA will brief the issue for decision by the PUC. If the OPA prevails, customers will be refunded approximately \$350,000 in next year's stranded cost rates.

# OPA Settles Storm Cost Case with CMP that Excludes Certain Costs from Recovery and Includes Strict Protections for Future Storm Cost Recovery Cases

In June 2025, the PUC approved a settlement agreement between CMP and the OPA over the recovery of 2024 storm costs (Docket No. 2025-00018). Storm costs have been rising significantly over the last few years and topped \$200 million in 2024. On July 1, CMP's typical residential customer saw an increase of approximately \$4 in their monthly bill, primarily driven by increased storm costs.

The settlement included several provisions that protect ratepayers from unreasonable charges, including:

- Excluding recovery of charges for landscaping, snow removal, cleaning, and phone charges that CMP had sought to recover from customers,
- Disallowing 50% of contractor charges for which CMP fails to produce a time sheet substantiating the time, and
- Imposing automatic disallowances in future cases if CMP fails to produce adequate documentary support for those charges.

As a result of the OPA's efforts in this case, customers are expected to save at least \$270,000 over the next two years.

### **OPA Helps to Secure Lower Stranded Cost Rates for Versant Customers**

In June 2025, the PUC approved a Stipulation between the OPA and Versant Power regarding the annual July 1 rate change related to stranded costs (Docket No. 2025-00115). As with CMP, these costs are primarily driven by the State's net energy billing program. The Stipulation results in a stranded cost revenue requirement for Versant's Bangor Hydro District (BHD) of \$25.4 million, and \$13.3 million for the Maine Public District (MPD), effective July 1, 2025. Versant originally sought a stranded cost revenue requirement of \$27.9 million for BHD district. Through the discovery process, the OPA was able to lower the total stranded costs sought to be recovered in the BHD district, saving ratepayers \$2.4 million.

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For BHD, this decrease in total stranded cost revenue requirement produces a 1.2% decrease in the average all-in price for residential customers using 500 kWh per month, which represents an overall rate decrease of \$1.91 per month.

For its MPD, the small increase in stranded costs from last year, coupled with other factors, produces a 0.5% decrease in the average all-in price for residential customers using 500 kWh per month, which represents a decrease of \$0.66 per month.

### **OPA Actively Reviews Versant Storm Restoration Costs**

After a lengthy proceeding, the OPA and Versant Power arrived at a settlement agreement regarding Versant's request to recover restoration costs associated with December 2023 and January 2024 storms (Docket No. 2024-00242). This proceeding was actively litigated from August 2024, until the PUC's written decision approving the settlement agreement in June 2025.

As part of this proceeding, the OPA examined all of Versant's invoices related to these two storms and determined that some invoices contained items that were not appropriate for cost recovery from Versant's customers. The OPA and Versant agreed that the total amount to be recovered would be approximately \$24.3 million, which is \$100,000 less than that requested by Versant. Additionally, as part of the settlement, Versant agreed to revise policies and procedures to improve the transparency of restoration costs associated with future storms, such as developing policies around employee meals and miscellaneous expenses. These policy changes should help to lower the amount of cost recovery sought by Versant in the future.

# OPA Successful Argues Against Versant Power Request for Waiver of Service Quality Index Penalty

In Docket No. 2024-00045, Versant Power filed a request for a waiver, seeking permission to exclude December 19-22, 2023, as major event days with respect to two service quality metrics, calls answered in 30 seconds, and abandoned calls. Versant states that these four December days were not automatically excluded by the applicable standard for exclusion because the outages associated with the December 2023 storm occurred primarily on December 18, 2023. However, Versant argued that if the additional four days following the storm were to be excluded as major event days, Versant's performance on the calls answered in 30 seconds metric for the calendar year would be above an 80% benchmark, and thus Versant would meet its calendar-year performance benchmark for the metric and would not be subject to a \$90,000 penalty.

The OPA argued that Versant's non-compliance was not the result of extraordinary circumstances beyond its control. Rather, the service quality metrics were measured over the course of an entire year, so Versant had the whole year to improve its call answering statistics and there should have been no need to exclude these four days from the service metric calculation. The PUC agreed with the OPA's position, denied Versant's requested waiver, and required payment of the applicable \$90,000 penalty for failure to satisfy the required benchmark for calls answered within 30 seconds.

### **OPA Advocates for Reining in the Breadth of Name Swapping Waivers**

In a series of cases considering "name swapping" waiver requests by CMP and Versant Power, the OPA has succeeded in securing PUC orders which narrow the scope of the waivers granted to the utilities. "Name swapping" or "name substitution" is defined in PUC rules as "the practice of avoiding Disconnection for nonpayment or initiating service without satisfying overdue accounts or avoiding a Deposit requirement by having a different person apply for service." Chapter 815 of the PUC's rules allows a utility to transfer a prior customer's balance to a new applicant if both people resided together at the same address where the account balance was incurred, both people received the benefit of the Utility service, and both people will benefit from the applied-for Utility service.

Despite these strict requirements for when a balance can be transferred to a new applicant, both CMP and Versant have sought and been granted waivers by the PUC's Consumer Assistance and Safety Division (CASD) to allow them to transfer balances to not only a specific applicant seeking to take over service, but also to any person whatsoever seeking to establish service at the location where the overdue amount was incurred by the prior tenant. These broad waivers essentially make properties unrentable and unsellable, as some of the prior balances have been in tens of thousands of dollars.

The OPA has argued that these broad waivers are not consistent with the PUC's own rule regarding customer-specific waivers, by which a waiver can only be granted if a utility can demonstrate that a specific applicant has engaged in conduct and has a known financial condition that poses a clear danger of substantial losses to the utility. The OPA's argument in this regard is that waivers that apply to future applicants as yet unknown to the utility are not allowed by the rule, as the utility can make no demonstration as to the conduct and financial conditions of these unknown future applicants.

In two recent cases (Docket Nos. 2024-00247 and 2025-00094), the PUC has revised the broad waivers that were granted by the CASD, limiting the waivers to specific named applicants. However, the OPA remains concerned with breadth of waivers being granted by the CASD, as there has been at least one recent CASD waiver decision that applies to unnamed and unknown future applicants who are "associated" with the customer who incurred the unpaid balance and a named applicant who sought to take over service. The OPA will continue to fight to ensure that such waivers are not unduly broad by extending to unnamed and unidentified future applicants.

### **OPA Urges Cautious Approach to Time of Use Rates**

The Public Utilities Commission initiated an inquiry to consider the implementation of time of use (TOU) standard offer and delivery rates for electric ratepayers (Docket No. 2024-00231). In its initial comments, the OPA proposed implementing TOU rates on an "opt-in" basis. This approach was also favored by AARP, Central Maine Power, and Versant Power. Under an opt-in system, customers would not be switched to a TOU rate unless they made an affirmative choice to do so. The OPA's comments included examples from around the country that demonstrated the potential effectiveness of a well-designed, opt-in approach.

In June 2025, the Commission opened a follow-on investigation (Docket No. 2025-00176) to consider whether there is "substantial evidence" supporting the adoption of TOU rates. The OPA commented that the Commission needed to more fully develop the costs and benefits of

TOU rates before proceeding with the opt-out TOU design recommended by their consultant. The OPA also recommended the Commission develop an evidentiary record to meet the terms of recently enacted legislation, LD 186, "An Act to Clarify the Public Utilities Commission's Authority to Establish Time-of-use Pricing for Standard-offer Service" (TOU Act). The TOU Act states that, in an adjudicatory proceeding to establish time of use rates for standard offer service, the Commission shall consider the impact of time of use rates, seeking to avoid negative impacts of TOU rates on:

- Residential customers who rely on life support systems,
- Residential customers who receive assistance from the State due to a medical condition and are participants in Central Maine Power's Electricity Lifeline Program or Versant Power's LifeLight Program or successor programs,
- Residential customers who are senior citizens, and
- Economically vulnerable residential customers.

The Commission's investigation into TOU rates is ongoing.

# **OPA Continues Its Fight for Greater Oversight of Asset Condition Projects**

For the past few years, the OPA has played a leadership role in challenging the proposed acceleration in the construction of asset condition transmission by the New England Transmission Owners (NETOs). In particular, the OPA has been fighting to enhance the system of review for such projects. Asset condition projects involve the replacement or reconstruction of existing projects with like-kind facilities. In New England, these projects do not require approval from the regional grid operator, ISO New England, and in many cases do not require state approval. In addition, the abbreviated transmission rate review process employed by the Federal Energy Regulatory Commission (FERC) presumes the prudency of all transmission investments. The lack of review in these state, regional, and federal forums creates a regulatory gap that the OPA believes has contributed to an acceleration by some utilities of their investments in asset condition projects. In July 2024, the NETOs had estimated the cost of asset condition projects under development in the region to be approximately \$5 billion. More recently, Eversource proposed a new \$9 billion asset condition project to reconstruct the underground transmission facilities serving the Boston area. If all of these projects were constructed, the OPA estimates that they would increase electricity rates in Maine by approximately \$200 million per year.

In early 2024, the OPA filed a formal challenge to the NETOs' regional transmission rates for 2024 on the grounds that they had not provided sufficient information to justify their decisions to construct the asset condition projects added to rates. The transmission owners objected to providing key information requested by the OPA on the grounds that it was beyond the scope of FERC's formula rate process. In July 2024, FERC staff issued a series of information requests regarding the issues raised in the OPA's challenge. The transmission owners responded to the information requests and the OPA replied to these responses in September 2024. FERC has yet to act on the OPA complaint.

Separately, in August 2024, the OPA petitioned to intervene in a New Hampshire proceeding relating to a large asset condition project in that state. Eversource is proposing to rebuild a 49-mile transmission line known as X-178. Although Eversource had identified a relatively small number of damaged poles, Eversource proposed rebuilding the entire line at a cost of approximately \$400 million. The OPA planned to argue that Eversource should be required to delay the project or limit its scope to the damaged poles. However, in September the New Hampshire Siting Evaluation Committee (NH SEC) voted unanimously to deny the OPA's Intervention. The NH SEC ruled that it did not have the statutory authority to consider the



cost of the project or its impact on ratepayers, and therefore the issues identified by the OPA were beyond the scope of the proceeding. This ruling highlighted the weakness of regulatory review of asset condition projects in some states in the region.

In March 2025, the OPA intervened in a FERC proceeding (<u>EL25-44-000</u>) in which a group of 22 consumer-related organizations from across the country had complained that FERC practices allow transmission owners to plan and construct transmission facilities without meaningful regulatory oversight. The complaint raised issues that parallel the issues raised by

the OPA in its own formal challenge of 2024 New England regional transmission rates. Indeed, the complaint cited FERC's failure to act on the OPA complaint as evidence of the inadequacy of current planning and ratemaking processes at addressing the reasonableness of transmission

... the complaint cited FERC's failure to act on the OPA complaint as evidence of the inadequacies of current planning and ratemaking processes at addressing the reasonableness of transmission investments.

investments. In its comments, the OPA argued for the creation of an Independent Transmission Monitor to address the issue in New England.

The OPA also continued its work with regional consumer advocates and other stakeholders to address the issue of asset condition projects. In response to stakeholder pushback, New

England's largest transmission owner, Eversource, has now expressed a willingness to support the development of an independent reviewer for such projects. In a <u>May 15 memo</u>, ISO New England, which had also previously expressed reluctance to support such a process, now states that "given the significant benefits to the region from a robust process and independent review of asset condition projects, we are now exploring the issue further."

### **OPA Opposes Increase in Regional Transmission Rates**

In July 2024, the New England Transmission Owners made their annual formula rate filing in FERC Docket No. ER20-254. The filing requested a 20% increase in transmission rates for Regional Network Service effective January 1, 2025. This equates to an increase of \$550

million per year for the region and \$50 million per year for Maine ratepayers.

In November 2024, the OPA and other New England consumer advocates filed an informal challenge to the proposed increase. The challenge specifically addressed the failure of certain utilities to include the value of unfunded reserves as an

In March 2025, the consumer advocates reached a settlement with the transmission owners that had engaged in the inaccurate treatment of the unfunded reserves to provide a refund to customers of approximately \$1.4 million, \$140,000 of which is expected to flow to Maine customers through regional transmission rates.

offset to the value of their capital investments. Unfunded reserves are amounts that the utilities maintain to pay for unanticipated events, but for which they do not maintain a dedicated funded account. These unfunded reserves can be used as a free source of capital to offset the cost of debt or return on equity that would otherwise be required to finance the cost of their capital investments.

In March 2025, the consumer advocates reached a settlement with the transmission owners regarding the inaccurate treatment of the unfunded reserves, providing a refund to customers of approximately \$1.4 million, \$140,000 of which is expected to flow to Maine customers though regional transmission rates.

### OPA Joins Regional Consumer Advocates in Meetings with Federal Energy Commissioners

In October 2024, Deputy Public Advocate Andrew Landry joined with consumer advocates from New Hampshire, Massachusetts, Connecticut, and Rhode Island in a series of individual meetings with the three newly appointed Commissioners to the Federal Energy Regulatory Commission (FERC) in Washington, D.C. These three join two existing Commissioners to form the five-member Commission. FERC regulates electric transmission service, wholesale electricity markets, natural gas pipeline service, and hydroelectric project licensing. The meetings provided the consumer advocates an opportunity to discuss their regulatory priorities with the Commissioners. The consumer advocates also met with senior FERC staff from its Office of the General Counsel, Office of Energy Market Regulation, and Office of Energy Policy and Innovation.

# OPA Supports Updates to NEPOOL Systems to Allow Tracking of Renewable Generation Output by Hour

In September 2024, the OPA voted at the NEPOOL Participants Committee meeting in favor of implementing updates to the NEPOOL Generation Information System (GIS) that would allow tracking output of renewable and zero carbon generating units on an hourly basis. These system updates are not anticipated to have a significant cost. However, the vote was a close one. The resolution required a two-thirds majority to pass, and it passed by about one percent. Thus, the OPA's vote was important to ensure approval of this proposal.

States, including Maine, use Renewable Portfolio Standards (RPS) as a mechanism to track the percentage of clean generation provided to customers by retail energy suppliers. As the required percentage of clean energy under state laws increases, the days and times that clean power is generated become important factors in determining whether an individual state or customer's needs are being served by clean energy.

For instance, if a state's RPS requires 30% clean power, suppliers could comply with the requirement by purchasing renewable power from solar units 100% of the time in 30% of all hours to comply with the requirement that 30% of its energy supply comes from qualified renewable sources. When a state's

RPS requirement increases to 80%, 90% or even 100% clean energy supply, it becomes essential to acquire energy from renewable sources in all hours, which will require using a wider variety of clean resources.

When a state's RPS requirement increases to 80%, 90% or even 100% clean energy supply, it becomes essential to acquire energy from renewable sources in all hours, which will require using a wider variety of clean resources.

#### The updates to the NEPOOL GIS

will allow regulators and retail suppliers to ensure that hourly loads are matched to zero carbon energy generated in the same hour. Adopting an hourly RPS requirement would increase compensation to facilities that supply clean energy during hours in which it is more challenging to do so, as well as those that can provide a consistent supply of clean energy throughout the day and year, such as hydro and offshore wind facilities. Conversely, generators providing clean energy during hours in which clean energy is abundant or in which system demand is low, would likely receive less compensation.

To date, no state in New England has implemented an hourly RPS requirement. It is anticipated that several New England states will consider doing so as their RPS requirements increase. In addition, some private entities with internal goals to serve up to 100% of their consumption with clean energy already have expressed interest in purchasing clean energy on a tagged hourly basis. Thus, the implementation of an updated tracking system at this time will facilitate the region's move towards a cleaner energy supply throughout all periods of the day and year.

### **OPA Supports NESCOE Proposal to Conduct Transmission RFP**

In October 2024, the New England States Committee on Electricity (NESCOE) proposed to issue a formal request for proposals to make upgrades to the Maine electric transmission system to address key regional needs. NESCOE is a committee made up of appointees from

each of the region's governors which confers with ISO New England, our region's grid and energy markets operator, to coordinate state energy policy initiatives with ISO New England's activities. This includes long-term transmission planning (LTTP). In coordination with ISO New England, NESCOE proposed to focus an LTTP solicitation on increasing transfer capability within the system to allow more power to flow from Maine to New Hampshire and into southern New England.

Maine is uniquely positioned to host large scale renewable energy projects, such as the proposed Northern Maine wind project. However, without upgrades to portions of the Maine

Without upgrades to portions of the Maine transmission system, it will be impossible for Maine to reach its full potential as a renewable energy exporter.

transmission system, it will be impossible for Maine to reach its full potential as a renewable energy exporter. Currently, as new projects come online, existing renewable generators may be required to reduce their production to allow the new generator to operate without

overloading the transmission system. Upgrading three critical bottlenecks in Maine are identified by NESCOE as opportunities to ameliorate this issue:

- The Maine-New Hampshire interface,
- The Surowiec-south interface in Pownal,
- The Orrington-south interface near Bangor.

The OPA joined other regional consumer advocates in filing comments in support of the NESCOE proposal to issue the LTTP solicitation.

# **OPA Prepares to Challenge Possible Tariff on Imported Canadian Electricity**

In January 2025, the new Presidential administration threatened to impose a 25% trade tariff on all imported goods and services from Canada, including electricity. Ratepayers in Aroostook and Washington counties served by Versant Power, Houlton Water Company, Van Buren Light & Power District, and Eastern Maine Electric Cooperative are all interconnected with New Brunswick, Canada and depend on Canadian suppliers for their electricity.

Approximately 600,000 MWh of electricity is imported annually from Canada just to serve the 58,000 customers of these four utilities. It is estimated that a 25% tariff would cost these ratepayers approximately \$8–10 million per year, and a typical residential ratepayer would see a \$6–7 increase in their monthly utility bills.

In response to this threat, the OPA engaged outside counsel in preparation for a possible legal challenge to the tariff, reached out to the Maine's congressional delegation to request political assistance, and coordinated efforts with other similarly situated parties. Ultimately, the administration delayed implementation and subsequent tariffs imposed on Canada excluded electricity.

# **Other Electricity Cases**

Request For Approval of Annual EBO Report Pertaining to Helix Maine Wind Development, Docket No. 2023-00020.

Commission Initiated Investigation Pertaining to Electricity Maine, LLC., Docket No. 2023-00024.

Request For Approval of Annual Compliance Filing Pertaining to Central Maine Power Company, Docket No. 2023-00038.

Request For Approval of Good Cause Exemption Pursuant To 35-A M.R.S. Section 3209-A Pertaining to Ellsworth Renewables LLC, Docket No. 2023-00333.

Request For Approval of Rate Change Regarding Annual Reconciliation of Stranded Cost Revenue and Costs Pertaining to Central Maine Power Company, Docket No. 2024-00015.

Versant Power, Request for Accounting Order for Deferral of Incremental Storm Restoration Costs, Docket No. 2024-00046.

Request For Approval of Advisory Ruling Ch 313 Re Co-Location Determinations Pertaining to Central Maine Power Company, Docket No. 2024-00075.

Commission Initiated Audit of Operations and Management Practices Pertaining to Versant Power, Docket No. 2024-00111.

Request For Section 708 Exemption or Approval of Reorganization Pertaining to Central Maine Power Company et al, Docket No. 2024-00117.

Maine Public Utilities Commission Investigation into Allocation of Benefits of Distributed Generation Under Net Energy Billing, Docket No. 2024-00149.

Request For Approval of Tariff Revision (7/10/25) Pertaining to Kennebunk Light & Power District, Docket No. 2024-00171.



Maine Public Utilities Commission Inquiry Regarding Improving Resiliency and Addressing Escalating Storm Costs, Docket No. 2024-00191.

Petition For Commission Investigation into Potential Overcharging by Competitive Electricity Providers, Docket No. 2024-00213.

Request For Approval of Good Cause Exemption Pursuant To 35-A M.R.S. Section 3209-A Pertaining to Berwick Hubbard Solar 1 LLC, Docket No. 2024-00217.

Request For Approval of an Accounting Order Pertaining to Versant Power, Docket No. 2024-00242.

Commission Initiated Investigation of Versant Power's Standard Offer Uncollectable Adder, Docket No. 2024-00248.

Request For Approval Regarding Emery Meadow Solar Project Pursuant to 35-A M.R.S.A. 3132-A Pertaining to Central Maine Power Company, Docket No. 2024-00263.

Request For Approval of Tariff Revision (11/22/25) Pertaining to Central Maine Power Company, Docket No. 2024-00296.

Request For Approval Regarding Section 110 Rebuild Pursuant to 35-A M.R.S.A. 3132-A Pertaining to Central Maine Power Company, Docket No. 2024-00304.

Request For Approval of The Triennial Plan for Fiscal Years 2026-2028 Pertaining to Efficiency Maine Trust, Docket No. 2024-00310.

Request For Approval of Retainage Proposal Pertaining to Central Maine Power Company, Docket No. 2024-00320.

Request For Approval of an Advisory Ruling Pertaining to JGT2ENERGY, Docket No. 2024-00366.

Request For Approval of Good Cause Exemption Pursuant To 35-A M.R.S.A. 3209-A (7) Pertaining to Sheridan Road Solar Farm LLC, Docket No. 2024-00367.

Request For Approval Updates to Pricing Flexibility Guidelines and Optional Targeted Service Riders Pertaining to Central Maine Power Company, Docket No. 2024-00370.

Request For Approval Regarding Warren Meadow and Knox Solar Interconnection Project Pursuant to 35-A M.R.S.A. 3132-A Pertaining to Central Maine Power Company, Docket No. 2024-00371.

Request For Approval of an Advisory Ruling Pertaining to Presumpscot Hydro LLC, Docket No. 2024-00374.

Request For Approval of Special Rate Contract Pertaining to Texas Instruments and Central Maine Power Company, Docket No. 2025-00013.

Request For Approval of Annual Compliance Filing Pertaining to Central Maine Power Company, Docket No. 2025-00018.

Request For Approval of Rate Change Regarding Annual Reconciliation of Stranded Cost Revenue and Costs Pertaining to Central Maine Power Company, Docket No. 2025-00019.

Maine Public Utilities Commission Investigation into Indian Township Tribal Government and Eastern Maine Electric Cooperative Pertaining to Net Energy Billing, Docket No. 2025-00050.

Annual And Quarterly Reports Related to Chapter 320 Pertaining to Versant Power, Docket No. 2025-00056.

Annual And Quarterly Reports Related to Chapter 320 Pertaining to Central Maine Power, Docket No. 2025-00058.

Request For Accounting Order for Deferral of Costs Associated with Implementation of Internal Revenue Service Normalization Rulings Pertaining to Central Maine Power Company, Docket No. 2025-00059.

Request For Investigation Regarding Discrete Electric Generating Facility Requirement to Participate in Net Energy Billing, Docket No. 2025-00063.

Request For Approval of Tariff Revision Pertaining to Versant Power, Docket No. 2025-00078.

Establishment of Assessment and Apportionment Amounts for Low-Income Assistance Plan and Assessment Amounts for Oxygen Pump and Ventilator Programs Pursuant to Chapter 314, Docket No. 2025-00092.

Commission Initiated Inquiry into Performance Based Regulation of Investor-Owned Transmission and Distribution Utilities, Docket No. 2025-00107.

Request For Approval 2024 Annual Revenue Decoupling Mechanism Adjustment Pertaining to Versant Power, Docket No. 2025-00114.

Request For Approval of a Rate Change - 307 Regarding Reconciliation of Stranded Cost Pertaining to Versant Power, Docket No. 2025-00115.

Request For Approval of Wholesale Distribution Service Agreement with Midcoast Regional Redevelopment Authority Pertaining to Central Maine Power Company, Docket No. 2025-00131.

Commission Initiated Inquiry into Energy Storage Reports, Docket No. 2025-00148.

Maine Public Utilities Commission Investigation of Operations and Management Practices of Versant Power, Docket No. 2025-00164.

Request For Approval Regarding Detroit-Guilford and Carmel Area Upgrades Pursuant To 35-A MRSA 3132-A, Docket No. 2025-00166.

Request For Order Providing Access to CEP Data Pertaining to The Office of The Public Advocate, Docket No. 2025-00191.

Implementation of Dynamic Line Ratings, FERC Docket No. RM 24-6-000.

Compensation for Reactive Power Within the Standard Power Factor Range, FERC Docket No. RM 22-2-000.





### **Natural Gas**

## Sale of Portland Natural Gas Transmission System Includes Customer Protections and New Requirements Related to Climate Change Targets

The Portland Natural Gas Transmission System (PNGTS) is a 295-mile natural gas pipeline that provides interstate transportation service to natural gas local distribution companies (LDCs), industrial customers, and gas marketing customers in New Hampshire, Maine, Massachusetts, and Rhode Island. In July 2024, the PUC approved a sale of PNGTS by TC Pipelines and Northern New England Investment Company to two investment companies, BlackRock and Morgan Stanley (Docket No. 2024-00072). The parties to the case, including PNGTS, the sellers, the buyers, the OPA, ND Paper, and the Conservation Law Foundation each agreed to support the sale, subject to certain conditions, including:

- PNGTS will not seek recovery of the acquisition premium being paid in the transaction or "goodwill" associated with the transaction,
- PNGTS will not seek recovery of transaction costs associated with the sale, and
- PNGTS will adhere to field technician staffing requirements.

The agreement also includes new requirements to help achieve Maine's greenhouse gas (GHG) emissions targets. Among the conditions related to GHG, the buyers will explore commercially reasonable ways to mitigate GHG emissions, measure GHG emissions from PNGTS facilities, and report GHG emissions to the PUC.

Finally, PNGTS agreed to participate in the Commission's Future of Natural Gas inquiry (Docket No. 2025-00145, described on page 18).

## Maine Natural Gas Commits to Improved Transparency for Its Resale Practices

In the summer of 2024, the OPA questioned the Maine Natural Gas's (MNG's) resale of surplus gas that it had purchased during the 2023–2024 winter months, asserting that the Company had failed to maximize revenue for customers by waiting until March 2024 to resell the surplus (Docket No. 2024-00109). As a result, in August 2024, the PUC conditionally approved MNG's proposed amended cost of gas rates, subject to the outcome of a follow-up proceeding to more fully examine the Company's practices for resale of excess gas. During the follow-up proceeding, MNG provided additional information about the winter 2024 purchase and March 2024 sale of the gas. The case was then resolved by a stipulation approved in March 2025, where MNG agreed that:

- No later than November 15th of each year, MNG will meet with the OPA and PUC staff to review MNG's upcoming winter preparedness activities in six areas,
- MNG will improve its documentation when an off-systems sales opportunity exists, whether through an asset management agreement or self-managed transactional activity, to document market pricing available when an opportunity is being considered.

• MNG will, if requested, provide evidence that decisions related to the sale of excess gas were based on maximizing cost savings for sales customers.

The OPA believes these commitments will improve MNG's cost-management strategies, saving customers money going forward.

### **OPA Questions Summit's Purchase of Additional Gas from Peaks Renewables**

In August 2024, the PUC approved a request by Summit Natural Gas of Maine (Summit) to purchase additional gas from its affiliate, Peaks Renewables, LLC (Peaks) (Docket No. 2020-00089). In the initial phase of this case in 2020, the PUC approved a stipulation in which Peaks would construct and operate an anaerobic digestion facility in Clinton, Maine that would produce pipeline-quality renewable natural gas using manure obtained from Maine dairy farms as feedstock. The stipulation established price, quantity, quality, and delivery pressure terms under which Summit would purchase the gas produced by the digester. In the current phase of the case, Summit sought, among other approvals, to increase the daily purchase cap from 400 to 456 MMBtu per day. The increased quantity of gas will flow to Summit from a new federally funded power-to-gas methane production pilot that became operational this summer.

The OPA raised several issues in this proceeding, such as whether the cost of the gas purchased from Peaks is reasonable and whether the transaction is consistent with the state GHG reduction goals. Peaks addressed these issues to the satisfaction of the OPA and the Commission. Summit produced analyses that demonstrated that the price to be paid for gas purchased from Peaks is reasonable and that the transactions facilitate the achievement of GHG goals. Based on these analyses, the PUC approved the proposed amended transaction, finding that it is not averse to the public interest.

## OPA's Persistent Concern Over Summit's Atlantic Bridge Service Leads to New Filing Requirements for the Company

The OPA voiced its concern during several of Summit's annual CGA proceedings, including Docket No. 2023-00168, over the Company's lack of action regarding its management of the negotiated rate agreement for Atlantic Bridge service on Maritimes & Northeast (M&N) interstate gas pipeline. The OPA had also argued that Summit should annually examine whether customers would benefit from modifying the Constellation gas supply and capacity management contract, even if the result involves a buy-out payment to Constellation. Ultimately in August 2024, the Company was ordered to submit additional documentation and testimony in future CGA proceedings detailing its management of costs related to Atlantic Bridge service.

### OPA Works with Summit on a Revised Cost-of-Gas Methodology to Better Align Cost-of-Gas Rates with Natural Gas Costs and Market Prices

The PUC approved a Stipulation between the OPA and Summit that established a monthly Cost-of-Gas rate adjustment mechanism (Docket No. 2024-00136). The new monthly rate change mechanism allows

The new monthly rate change mechanism allows Summit's rates to more closely track market prices using a pre-approved formula. Summit's rates to more closely track market prices using a pre-approved formula. Summit will still make an annual filing to set certain aspects of its Cost-of-Gas rate, but the Forecasted Commodity Gas Rate will be set monthly based on then-existing market rates. The PUC stated doing so helps avoid extended over-collection or under-collection, providing better price signals and less rate distortion for customers.

## OPA Secures Summit's Return of Ratepayers Funds that Had Been Collected for EMT's Natural Gas Conservation Program

During the proceeding on Efficiency Maine Trust's (EMT) Request for Approval of Fifth Triennial Plan for Fiscal Years 2023–2025 (Docket No. 2021-00380), the PUC approved EMT's request to return to the LDCs (Unitil, Maine Natural Gas, Bangor Natural Gas, and Summit Natural Gas) existing ratepayer funds for EMT's natural gas conservation program that had been collected but not used by EMT within the specified statutory timeframe. In a follow-up proceeding, Unitil, Maine Natural Gas, and Bangor Natural Gas each proposed to

The OPA and EMT opposed Summit's plan, arguing that Summit should return funds to the customers who contributed them.

return the funds to customers through bill credits. However, Summit proposed to keep the funds and instead use them to boost rebates for low-income customers who convert to natural gas (Docket No. 2024-00357). The OPA and

EMT opposed Summit's plan, arguing that Summit should return funds to the customers who contributed them. The OPA argued that the Commission had already ordered the funds be returned to ratepayers, and that using the funds to offer increased conversion rebates would violate section 10111 of the Efficiency Maine Trust Act, which authorizes the use of natural gas conservation program funds for cost-effective measures only.

In May 2025, the PUC approved Summit's revised plan to return \$36,473 to customers as bill credits (the amount calculated by EMT in 2024). Further, the PUC ordered Summit to open a new docket with supporting calculations to show the full amount still held by Summit collected from Summit's ratepayers through prior EMT assessments (estimated to be an additional \$170,000.), to be applied as an offset for Summit's next EMT assessment, thereby reducing the amount to be collected from customers.

## **Unitil Completes Its 14-Year Cast Iron Replacement Program, Reducing Leaks and GHG Emissions**

In April 2025, the PUC approved a request from Northern Utilities (doing business as Unitil) to increase its distribution base rates to recover costs associated with the Company's multi-year cast iron and bare steel facility replacement program in Greater Portland and Westbrook (Docket No. 2025-00066). The purpose of the program is to reduce leak prone pipe, thereby enhancing system integrity and safety. The OPA filed comments making suggestions on adjustments to the Company's request, however these were not accepted. The 14-year program is now complete with the end of 2024 construction year.

In addition to approving the requested rate increase, the PUC observed that Unitil's estimate of approximately 74% reduction in total GHG emissions because of the elimination of leakprone pipe through this project indicates that it has facilitated state climate goals.

### OPA Presses Unitil to Include Customer and Environmental Protections in Bangor Natural Gas Acquisition Agreement

In December 2024, the PUC approved the merger of Bangor Natural Gas (BNG) into Unitil Corporation (Docket No. 2024-00174). BNG is now a sister company of Northern Utilities, which is owned by Unitil and supplies natural gas to southern Maine customers. The case was resolved through a stipulation signed by the gas companies and their owners, the OPA, and the Conservation Law Foundation. The agreement includes protections for customers such as a rate-case "stay out," meaning Unitil will not file a rate case for BNG until at least January 1, 2027, saving customers money by postponing implementation of rate increases. BNG and Unitil agreed to certain commitments related to the calculation, reporting, and mitigation of GHG emissions, including:

- Calculating direct emissions from BNG's facilities and operations,
- Implementing or maintaining GHG measurement and mitigation programs in accordance with standard industry practice, and
- Reporting GHG emissions annually in accordance with state and federal requirements and standard industry practice.

In addition, BNG will implement the same residential low-income discount that is currently available to Unitil customers: a 30% discount on a customer's total bill including the customer charge, transportation charge, energy charge, and past gas cost adjustment.

### **OPA Reviews Plan to Merge Maine Natural Gas into Unitil Corporation**

In May 2025, Unitil Corporation filed a petition requesting that the PUC grant approval of the merger of Maine Natural Gas (MNG) into Unitil (Docket No. 2025-00143). In addition to the merger, Unitil also seeks approval of various affiliate agreements under which MNG will be provided services by Unitil and its subsidiaries. Finally, Unitil seeks approval of a long-term debt facility to be undertaken by MNG shortly after closing to finance the debt portion of the proposed transaction.

Unitil states that MNG's customers will benefit from Unitil's focus on customer service and enhancements to gas operations and public safety. The Company promised that the transaction to complete the merger would not result in a rate increase for MNG's customers. Additionally, the Company is willing to agree to similar conditions as Unitil accepted in connection with its acquisition of Bangor Natural Gas as discussed above.

Future potential stranded costs could be controlled by limiting the extent to which gas utilities are allowed to offer incentives and promotions to attract new customers. It is also the OPA's position that the LDCs should minimize the potential for "stranded costs" (i.e. investments made by utilities that are no longer financially viable due to changes in public policy or market conditions). Future potential stranded costs could be controlled by limiting the

extent to which gas utilities are allowed to offer incentives and promotions to attract new customers. The responsibility for stranded costs, especially those resulting from future expansion of the distribution system, should lie with utility shareholders since the system was

acquired after the State had set aggressive decarbonization goals. The merger case remains on-going.

#### **Other Natural Gas Cases**

Request for Approval of Cost of Gas Filings Pertaining to Bangor Natural Gas Company, Docket No.2024-00158.

Request for Approval of Cost of Gas Filings Pertaining to Summit Natural Gas of Maine, Inc., Docket No. 2024-00172.

Request for Approval of 2024 Winter Cost of Gas Filings Pertaining to Northern Utilities, Inc. D/B/A Unitil, Docket No. 2024-00212.

Request for Limited Exemption from Section 708 Reorganization Requirements Pertaining to Portland Natural Gas Transmission System, Docket No. 2024-00361.

Request for Approval of Annual Compliance Filing of New Rate Caps and Actual Rate to be Charged Pertaining to Maine Natural Gas Corporation, Docket No. 2025-00045.

Request for Accounting Order for Deferral of Costs Associated with Implementation of Internal Revenue Service Normalization Rulings Pertaining to Maine Natural Gas Corporation, Docket No. 2025-00060.

Proposed 2025 Summer Period Cost of Gas Adjustment Rates for May 1, 2025 through October 31, 2025 (35-A M.R.S. § 4703), Pertaining to Northern Utilities, Docket No. 2025-00061.

Request For Approval of an Affiliated Interest Transaction with Granite State Gas Transmission Inc. Pertaining to Northern Utilities, Inc. D/B/A Unitil Inc., Docket No. 2025-00116.

Request For Approval of Cost of Gas Filings Pertaining to Maine Natural Gas Corporation, Docket No. 2025-00151.

Request for Exemption from the Reorganization Approval Requirements Resulting from Unitil Corporation's Acquisition of Water Utilities in New Hampshire and Massachusetts or Alternatively for Approval (35-A M.R.S. § 708), Docket No. 2025-00161.



Maritimes & Northeast Pipeline, L.L.C., FERC Docket No. RP24-780.

Algonquin Gas Transmission, LLC, FERC Docket No. RP24-781.

Granite State Gas Transmission, Inc., FERC Docket No. RM96-1-043.



#### Water

### OPA Reaches Agreement with the Maine Water Company to Reduce Rate Increase, with a Special Benefit for Residential Customers

In October 2024, the Maine Water Company (MWC) filed a request for a change in rates for its Camden and Rockland Division that included an increase in annual revenues of just over \$1 million (almost a 16% increase) and then further increased that request to over \$1.3 million in its rebuttal testimony (Docket No. 2024-00291). The OPA disputed the Company's revenue requirement analysis, including its calculation of rate base, expenses, and cost of capital. The OPA also argued that the Company's rate design should be modified to reduce the 5/8" fixed charge for the benefit of residential customers. Through settlement negotiations with the OPA, MWC agreed to reduce the increase in annual revenues to \$864,618 (about 13%), saving ratepayers \$563,637 a year. MWC will apply an additional adjustment that reallocates \$40,000 of the revenue requirement from the 5/8" fixed meter charge across the fixed and volumetric rates for all other meter sizes, saving money for residential customers. The settlement was approved by the PUC in June 2025.

### OPA Raises Questions about the Maine Water Company's Proposal for Uniform Rates for All Divisions

In December 2024, MWC filed a petition requesting approval of uniform rates for all ten of its geographically dispersed divisions and a two-phased process for implementing the change (Docket No. 2024-00378).

In its petition, MWC stated that it proposes to unify rates companywide for all operating divisions on a revenue-neutral basis. This rate unification plan is intended to mitigate customer bill impacts associated with both capital investments and with increased operations and maintenance expense associated with ongoing regulatory compliance and infrastructure replacement needs. MWC also stated that the uniform rates will address administrative inefficiencies inherent in the separate rate regulation of its ten divisions. Unified rates would also give MWC the ability to provide a low-income water ratepayer assistance program across the various divisions.

At a technical conference in May 2025, the OPA asked about earnings growth for MWC's parent company if unification is approved, how capital expense recovery would be spread across the ten divisions, and the low-income water ratepayer assistance program that MWC is envisioning if the rates were unified. The case remains on-going.

### The Maine Water Company's Agreement with a New Affiliate Service Company is Approved Subject to Conditions that Reflect Some of the OPA's Concerns

In April 2025, the PUC granted a request by MWC for approval of the reorganization triggered by the creation of a new affiliated interest and approval of amendments to MWC's Affiliate Interest Agreement and Cost Allocation Manual (Docket No. 2024-00362). Through its approval, the PUC authorized MWC's parent company, SJW Group, to create a new service company affiliate, National Water Utility Service (NWUS), which will now become a service provider to MWC under the Affiliate Interest Agreement.

The OPA raised concerns, objecting to MWC's request for approval. The PUC imposed conditions on its approval, including:

- The reorganization must not increase the revenue requirement of any MWC division as compared to the revenue requirement that would have existed in the absence of the reorganization.
- MWC must keep track of any costs that are allocated to it for the formation and/or operation of NWUS.
- MWC must track and report on any services provided by NWUS that are duplicative of services provided by other affiliates.

Affiliate charges remain a key concern of the OPA across all utility types as it is difficult to verify whether these charges are just and reasonable.



# OPA Helps Secure a Temporary 75% Reduction in Rates for Water Customers of the Loring Development Authority

In January 2025, the PUC opened a formal investigation in response to a 10-person Complaint filed by Loring Development Authority's (LDA) water customers (Docket No. 2024-00300), after LDA's 2024 rate filing (Docket No. 2024-00243) increased water rates by

The OPA walked customers through their testimony about the significant increase in water bills that they experienced and the impact on their household expenses and ability to run their businesses.

over 1,300% for some customers in October 2024. The Complaint included a request to suspend the rate increase while the investigation was being conducted. The PUC denied this request. Instead, in March 2025, the PUC held a hearing on temporary rates, where the OPA walked customers

through their testimony about the significant increase in water bills that they experienced and the impact on their household expenses and ability to run their businesses. The Commission concluded that, given the magnitude of the rate shock experienced by the LDA's customers and in consideration of the balance between the customers' and the LDA's interests, it was just and reasonable to reduce the October 2024 metered rates by 75% pending the conclusion of its investigation, saving customers approximately \$207,006 per year.

#### **Other Water Cases**

Request for Approval of Water Infrastructure Charge Request Pertaining to the Maine Water Company-Freeport Division, Docket No. 2024-00140.

Request for Approval of Water Infrastructure Charge Request Pertaining to the Maine Water Company-Oakland Division, Docket No. 2024-00141.

New Sharon Water District, Docket No. 2024-00146.

10 Person Complaint with Unresolved Water Problems Pertaining to Lisbon Water Department – Town of Lisbon Falls, Docket No. 2024-00255.

Request For Approval of Water Infrastructure Charge Request Pertaining to the Maine Water Company-Millinocket Division, Docket No.2024-00276.

Request For Approval of Rate Change-307 (1/1/26) Pertaining to Machias Water Company,

Docket No. 2024-00326.

Request For Appointment of a Receiver Pertaining to Corinna Water District, Docket No. 2025-00080.

Commission Initiated Investigation Into Houlton Water Company and the Potential Disconnection of Water Service to the Houlton Mobile Home Park, Docket No. 2025-00120

Request for Approval of Amendment to Special Rate Contract with the Penobscot Indian Nation Pertaining to Old Town Water District, Docket No. 2025-00122.

Request for Approval of Water Infrastructure Charge Request Pertaining to the Maine Water Company-Biddeford & Saco Division, Docket No. 2025-00125.

Request for Approval of Water Infrastructure Charge Request Pertaining to the Maine Water Company-Oakland Division, Docket No. 2025-00126.





### **Telecommunications**

## **OPA Negotiates a Settlement Regarding the Sale of Consolidated Communications that Includes Benefits for Customers**

In July 2024, the PUC approved a stipulation providing the necessary authorizations to transfer indirect ownership and control of Consolidated Communications to Condor Holdings (Docket No. 2023-00327). As part of the agreement negotiated by the OPA:

- Consolidated agrees to extend the current two-year Provider of Last Resort (POLR) service rate freeze by an additional two years, through August 2026. Consolidated's POLR rate commitment will benefit POLR customers by ensuring that rates remain stable for an additional two-year period,
- Consolidated will offer, during calendar year 2025, where available, a broadband product with 50 Mbps symmetrical service at a monthly price of \$25 with a customer-supplied router and \$35 with a Consolidated-supplied router. They will provide the 50 Mbps service at the same monthly price for at least 12 months to those customers who elect it during calendar year 2025, and
- Consolidated will implement and activate the Alden One joint-use software system as a Large Pole Owner by December 2025.

#### **Other Telecommunications Cases**

Commission Initiated Investigation into the Feasibility of Rate Center Consolidation Pertaining to Consolidated Communications, Docket No. 2023-00009.

Commission Initiated Inquiry to Facilitate Preparation of LD 1456 Report, Docket No. 2023-00300.

10 Person Complaint with Unresolved Phone Service Problems Pertaining to TDS Telecommunications, Docket No. 2024-00190.

Request For Approval of Reorganization Pertaining to Union River Telephone Company, Docket No. 2024-00279.





## **PUC Rulemaking**

# PUC Prescribes the Customer Notice Required for Expedited Rate Increases by Consumer-Owned Water Utilities

In 2023, a new law (35-A M.R.S. §6104-B) was adopted allowing COUs to make small rate adjustments, less than 1.5% of their current total annual revenue, provided they give notice to the PUC and customers at least 30 days prior to the effective date. In May 2025, the PUC issued an order amending Chapter 616, "Specific Exemptions from Regulatory Requirements for Consumer Owned Water Utilities," to explain exactly how the COUs need to individually notify their customers of such increases (Docket No. 2025-00046).

Initially, the PUC proposed that COUs electing to adjust rates pursuant to Section 6104-B would need to provide written notice via U.S. mail to customers. Several COUs commented that mailed notices are costly and that many customers prefer electronic delivery of their bills and other communications. The OPA suggested that customers would be more likely to see the 6104-B notice in a stand-alone letter rather than as a bill-insert or as a part of an electronic bill, but that Chapter 616 could include a provision allowing the COUs to request a waiver to the U.S. mail requirement for good cause. Ultimately, the PUC decided to allow COUs, at their option, to provide stand-alone notice of a Section 6104-B filing to customers according to their stated communication preference (i.e., U.S. Mail or electronic) or to provide notice as a bill insert delivered to the customer according to their stated billing preference.

### OPA Applauds Prohibition of Electric Utilities From Charging Late Fees to Low-Income Customers

In March 2024, the Governor signed into law <u>Res. 2023, Chapter 145</u> (LD 1962, Sen. Jackson, D-Aroostook), "Resolve, to Direct the Public Utilities Commission to Adopt Rules Regarding Utility Shut-offs" (Signed March 19, 2024), which prohibited the imposition of late fees in

relation to the disconnection or termination of service for unpaid bills. Specifically, the language states that for low-income customers, the PUC's rules must prohibit the utility from charging late fees that accrued prior to the

For low-income customers, the PUC's rules must prohibit the utility from charging late fees that accrued prior to the termination or disconnection.

termination or disconnection. As directed by the new law, in February 2025, the PUC amended Chapter 870, "Late Payment Charges, Interest Rates to be Paid on Customer Deposits, and Charges for Returned Checks," (Docket No. 2024-00288). Under the new rule, electric utilities may not charge a residential customer late fees if the customer:

- Receives or received a benefit from the utility's Low-Income Assistance Program in the current or previous program year, or
- Receives a benefit from the utility's Arrearage Management Program.

The OPA welcomed these changes that could potentially help thousands of Mainers who are struggling to pay their bills. The amendment to Chapter 870 went into effect on March 31, 2025.

# The OPA Asks PUC to Stop the T&Ds from Charging Electric Customers for Costs of the Broadband Pole-Attacher Database System (Alden One)

In May 2025, the PUC initiated an informal inquiry into potential amendments to Chapter 880 of its rules, which governs attachments to joint-use utility poles (Docket No. 2025-00154). The OPA filed initial comments asking the PUC to amend Chapter 880 so that the broadband pole attachers, not the utilities' electric customers, pay for the Alden One system.

The OPA has consistently argued that electric customers should not be asked to cover any portion of Alden One Charges because the purpose of the database is to facilitate and accommodate pole attachments by third parties.

Since 2022 when their implementation and testing of Alden One began, the utilities have recovered 100% of their Alden One costs from their electric customers. These costs include categories such as licensing, Alden-related staffing, IT, and training. The OPA has consistently argued that electric

customers should not be asked to cover any portion of Alden One charges because the purpose of the database is to facilitate and accommodate pole attachments by third parties, not to serve the needs of electric customers. PUC staff will determine further process after reviewing the submissions from all commenters.

### **Other Rulemaking Cases**

Commission Initiated Inquiry into Proposed Amendments and Chapter 110 Rules, Docket No. 2024-00186.

Commission Initiated Amendments to Chapter 830 of Political Activities, Charitable Contributions, Educational Expenditures, Institutional Advertising, Promotional Advertising, and Promotional Allowances by Public Utilities, Docket No. 2024-00231.

Commission Initiated Amendments to Chapter 320 of the Commission's Rules, Electric Transmission and Distribution Utility Service Standards, Docket No. 2024-00236.

Public Utilities Commission Amendments to Net Energy Billing Chapter 313, Docket No. 2024-00356.

Commission Initiated Inquiry Regarding Electric Low-Income Assistance Program, Docket No. 2024-00363.

Commission Initiated Rulemaking Amendments to Licensing Requirements, Annual Reporting, Enforcement and Consumer Protection Provisions for Competitive Provision of Electricity - Chapter 305, Docket No. 2025-00077.

Commission Initiated Inquiry Regarding Possible Amendments to Chapter 880 of the Commission Rules, Docket No. 2025-00154.



## **Ferry**

# OPA Objects to New Fares in Effect During Summary Investigation of Rate Increase Requested by Casco Bay Island Transit District

In May 2025, Casco Bay Island Transit District (CBITD) filed a request to the PUC to raise its rates, effective June 21, 2025 (Docket No. 2025-00160). After two sets of 50 customers filed a petition with the PUC asking for an investigation, the PUC announced that it would open a summary investigation to determine whether grounds exist to open a formal investigation while still allowing the rate increase to go into effect as planned. The OPA objected, asking for the PUC to suspend the rate increase while the summary investigation takes place. The OPA argued that low-income customers could be immediately harmed by the new rates, and that because some of the rates are tied to the purchase of an annual passenger pass, it could be difficult to unwind the rates if they are later found to be inappropriate. However, the new rates went into effect as scheduled, and the PUC is now conducting a summary investigation to determine whether a formal investigation is warranted.



### **Access PUC Dockets Online**

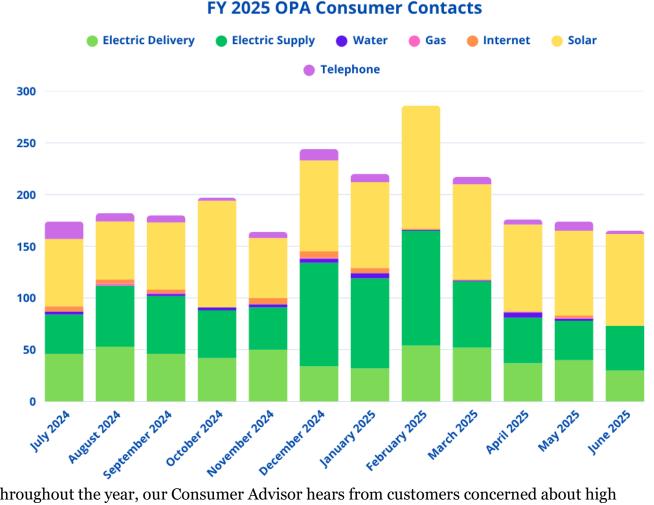
To learn more about any of the PUC proceedings mentioned in this report, please visit the Public Utilities Commission's <u>Case Management System (CMS)</u>. Make note of the docket number of the case of interest and enter it in the search feature.



## Consumer Advising and Outreach

In addition to advocating on customers' behalf at the Maine Legislature, Public Utilities Commission, ISO New England, and Federal Energy Regulatory Commission, the Office of the Public Advocate also provides one-on-one support for consumers voicing utility concerns.

The Consumer Advisor is available to answer questions, provide advice, and as needed, connect consumers to other OPA staff with relevant expertise. Consumers will typically contact the OPA via telephone, email, or with in-person visits. This fiscal year, we assisted more than 2,450 customers.



Throughout the year, our Consumer Advisor hears from customers concerned about high electric bills. She guides them by reviewing electric supply options, common usage culprits, and energy management tools. Our Consumer Advisor also attends community events around the state to provide information directly to Mainers about how they can save on their utility bills.

With the help of our summer communications intern in 2025, we have also developed a number of new online resources to help consumers better understand their electric bill

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components, reduce usage, and find assistance when they need it. These resources can be found on our <u>website</u>, which continues to be expanded and updated, allowing the OPA to remain a trusted source for consumer utility information.

Every month, the OPA distributes to legislators, stakeholders, and other interested parties our email newsletter, *Highlights*, which provides updates on the advocacy work of the OPA and summarizes some of the key issues we are working on at the PUC each month. Anyone interested in subscribing to *Highlights* can do so through our <u>website</u>.

#### **OPA Provides Assistance for Community Solar Customers**

Our office has become a key point of contact for solar customers trying to navigate community solar subscriptions.

Common themes of community solar consumer concerns include:

- Reports of being signed up for solar without permission,
- Callers alerted by a letter from CMP that they are signed up for community solar but they have no idea who their solar company is or how to reach them,
- Complaints about "pushy" solar salespeople,
- Frustration with the time it takes to cancel a solar contract,
- Lack of knowledge of how their community solar subscription should work and how it will affect their utility bill, and
- Being overallocated credits, sometimes due to being subscribed to more than one community solar farm.

### **OPA Obtains Refunds for Solar Customers with Severe Overallocation of Credits**

In winter 2025, several customers of one community solar provider contacted the OPA reporting severe overallocation of solar credits in their accounts. Several of these customers had received thousands of kWh credits in a single month. Our office intervened on these customers' behalf, achieving refunds totaling approximately \$10,000 for five customers. The solar company also agreed to audit all customer accounts for overallocation and resolve any issues found, updating the OPA once a month on its progress.

The OPA then sent a letter to all of Maine's community solar providers warning them against overallocation. Further, at the OPA's urging, overallocation of solar credits was explicitly prohibited as part of the solar reforms in LD 1777.



### **OPA Obtains Refunds for Customers Charged Incorrect Rates for Solar Credits**

The OPA obtained nearly \$25,000 in refunds and credits for community solar customers after an OPA investigation determined that customers were being incorrectly charged for solar credits. The issue was identified after several customers contacted the OPA with questions

The OPA obtained nearly \$25,000 in refunds and credits for community solar customers after an OPA investigation determined that customers were being incorrectly charged for solar credits.

about whether they were receiving the level of savings advertised by a community solar provider. The OPA learned that the community solar provider was incorrectly billing customers on alternative rates such as CMP's electric technology rate. As a result, these customers were not

receiving the company-advertised 15% savings on solar credits purchased. In some cases, customers were paying more for solar credits than they would have paid for electricity without a community solar subscription. The OPA worked with the community solar provider to identify the impacted accounts and ensure customers were either refunded or credited for any overpayments.

Following this investigation, the OPA contacted other community solar providers to alert them of the issue and demand they immediately begin correctly billing customers on alternative rates.

# **OPA Advocates on Behalf of Small Business Customers to Obtain Early Termination Fee Waivers from Competitive Electricity Providers**

After being contacted by small business customers, the OPA reviewed the customers' electricity supply agreements and determined that the CEPs were attempting to recover illegal early termination fees from these small business customers. Under Chapter 305, in an agreement with a small business customer, a CEP may only charge a termination fee for a

"fixed dollar amount." But in these cases, the CEP was attempting to recover an early termination fee set by a formula. The OPA identified the illegal contracts and successfully requested that the CEP stop any attempt to recover the early termination fees.

In total, the OPA's advocacy on behalf of these customers resulted in the cancellation of early termination fees totaling approximately \$16,000.





## **Electric Ratepayer Advisory Council**

The 18-member Electric Ratepayer Advisory Council (ERAC), created by statute in 2022, consists of 13 voting members representing customers and utilities across Maine, and five non-voting state officials. ERAC is charged with evaluating the affordability of electricity in Maine and advising the Public

Advocate on potential improvements. The OPA provides staffing for ERAC and the Public Advocate serves as the non-voting Chair of the Council. The State owes a great debt of gratitude to the public members of the Council who give generously of their time.

In December 2024, ERAC submitted its <u>Third Annual Report</u> to the Joint Standing Committee on Energy, Utilities, and Technology (EUT). The report highlights the challenges facing low-income households due to Maine's high electricity costs and contains recommendations for addressing this critical problem, based in part on two new studies commissioned by ERAC and OPA. The first, "<u>Quantifying Maine's Household Energy Burden and Affordability Gap</u>," provides detailed analysis of the economic burden on low-income consumers. The second study, "<u>Is Maine's CEP-Served Residential Retail Electric Supply Market Affordable?</u>" documents the extent to which Maine competitive electricity suppliers (CEPs) are overcharging consumers for electricity supply service.

Key takeaways from the Annual Report include:

- The burden of high electricity costs on Maine's 100,000 low-income households is large. The "affordability gap" (the difference between what energy costs and what low-income households can afford) is estimated to be \$85 million per year.
- On average low-income consumers in Maine pay approximately 8% of their household income for electricity, double the recommended 4% affordability target.
- In 2023, 77% of customers of CEPs paid more for electricity than if they had purchased standard offer service from their utility. In the eight years from 2016 to 2023, Maine's households have paid CEPs \$135 million more for electricity than what the Standard Offer Provider would have charged.
- High CEP prices contribute to making electricity unaffordable for low-income households.

The Council's report includes 20 recommendations aimed at increasing funding and improving the administration of the Low-Income Assistance Program (LIAP), continuing research into overcharging by CEPs, increasing consumer education and outreach, and supporting efficiency and weatherization programs for lower income households. The OPA worked with the EUT to advance legislation to address the first two of these areas of focus and has developed plans to address the remaining focus areas in the coming years.

If you would like more information regarding the Council or access to the Council materials, please visit our <u>website</u>.

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### **Nonwires Alternatives**

The Nonwires Alternative (NWA) initiative began in 2019, when the Legislature enacted <u>PL 2019, Chapter 298</u> (LD 1181, Rep. Berry, D-Bowdoinham) "An Act to Reduce Electricity Costs through Non-wires

Alternatives." As a result, the NWA Coordinator (NWAC) performs a detailed technical review of CMP's and Versant's Annual Planning Studies to identify which projects are most likely to support an NWA at a lower cost for ratepayers. Maine law requires the Public Utilities Commission to consider NWAC recommendations before approving utility investments for significant transmission and distribution projects. Detailed cost information on specific projects is not publicly available due to confidentiality restrictions. Many of these reviews result in consensus plans that reduce utility spending and the resulting rate impact on consumers. If the stakeholders do not reach agreement, parties file their positions before the Commission for resolution.

The NWAC screened eleven CMP projects between July 1, 2024 and June 30, 2025:

- Biddeford-Saco Local Area Study
- Carmel Local Area Study
- Church Hill Project
- Detroit-Guilford Local Area Study
- Emery Meadow Project
- Larrabee Road Breaker Replacement Project
- Lewiston-Auburn Area Study
- Portland Transmission Area Study (reopened in 2025)
- Substation Automation Program
- Wyman Hydro Substation Projects
- Section 110 transmission line Southern Maine Coastal Region

For all reviews, the NWAC works with the utility and Efficiency Maine Trust (EMT) to determine whether the needs that led to the proposed transmission, distribution, or substation project could be met cost-effectively using NWAs. The NWAC provides an objective electrical engineering overview of utility data underlying the need for each project. In this year's reviews, cost-effective NWAs were not available due to a combination of asset condition replacements, customer funded interconnections, and the higher cost of alternatives to meet the need.

CMP revised its cost estimates as they prepared to implement an NWA project included in last year's Annual Report, increasing savings this fiscal year by between \$1,030,485 and \$1,780,710 for the projected lifetime of the project.

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# Commission Supports Nonwires Alternative Review of Church Hill Solar Interconnection Request

CMP requested PUC approval of its proposal to build an interconnection line for the Church Hill Solar Project (Docket No. 2024-00105). The Church Hill Solar Project is a 20 MW solar plant to be built and owned by a developer in Augusta, Maine. To interconnect the facility, a new CMP-owned 1.1 mile, 34 kV line will be added between the Augusta East Side Substation and the solar project. The new line will be overbuilt on CMP roadside distribution poles. The total estimated cost of CMP's work is \$5.2 million, to be paid by the developer.

CMP petitioned for an exemption from NWA review for customer funded projects. The OPA argued that the NWA statute does not authorize such an exemption. Based on the NWA Coordinator's findings, the OPA recommended the Commission approve the interconnection. The NWAC found that:

- Ratepayers will bear no costs of the interconnection.
- Ratepayers will bear no additional costs for ongoing operation and maintenance.
- The chosen location has the least impact on the surrounding area.
- No ratepayer funds are at risk if the project fails to be funded because no CMP work will begin before payment.

The Commission agreed with the OPA that the statute does not authorize exemptions. Based on the NWAC's findings the Commission approved the interconnection.

### CMP seeks approval for \$8.5M upgrade to Wyman Hydro Substation

Central Maine Power Company asked the PUC to approve three upgrades identified at CMP's Wyman Hydro Substation (Wyman Substation) (Docket No. 2025-00047). Wyman Substation serves 1,495 customers directly, plus 3,530 customers that are supplied from a connected line. There are also nine transmission-level generators (358.5 MW) connected directly or by a radial line to Wyman Substation, with another 58.8 MW generation facility under construction and expected to interconnect.

CMP stated that the upgrades are needed to meet North American Reliability Corporation (NERC) standards, improve communication capabilities, and prevent power failures resulting from generator-owned equipment.

As required by 35-A M.R.S. §3132-A, the NWAC investigated the system need and considered alternatives. The NWAC determined the upgrades are necessary for compliance, communication system resiliency, and reliability needs. The NWAC filed its report, concluding that there were no alternative solutions to the identified needs.

### Transmission Line Upgrade Approved for the Southern Maine Coastal Area

The PUC approved CMP's request to rebuild the Section 110 transmission line (Docket No. 2024-00304). The project is a 1.37-mile 34.5 kV transmission line that is part of the broader Southern Maine Coastal Region. The rebuild is estimated to cost approximately \$6.4 million. To align with CMP's new construction standards to improve system resilience, CMP upgraded the replacement assets to steel poles and covered tree wire.

The NWAC conducted an analysis of the reasons for the upgrade and confirmed that the system required an upgrade to improve reliability and increase capacity to meet current and future needs of customers. The NWAC determined there were no nonwires alternatives solutions that could meet the system need at a lower cost.

## **Other Nonwires Alternative Cases**

Commission Initiated Inquiry of Nonwires Alternatives Information Repository, 2024-00321.





## Committees and Working Groups

The OPA actively participates in numerous formal and informal working groups, representing the interests of Maine utility ratepayers.

OPA staff members participate in numerous committees of the National Association of State Utility Consumer Advocates (NASUCA), including the Consumer Protection; Messaging & Outreach, Accounting & Finance, Electricity, Gas, Telecom; and the Heads of Office committee. NASUCA and its committees share information regarding the latest developments in utility regulation around the country and develop the policy positions that guide the organization's advocacy activities and other programs. The OPA also works with other consumer advocates on issues of common interest through the Consumer Advocates of New England.

The OPA is a voting member of the NEPOOL Participants Committee, the stakeholder advisory group to ISO New England, the region's grid operator, as well as NEPOOL's technical committee. The OPA is a member of the Coordinating Committee for ISO New England's Consumer Liaison Group, a forum in which members of the consuming public can share their views with and receive information from ISO New England regarding issues



relating to the regional transmission grid and electricity markets. The OPA is also actively involved in the Maine Telecommunications Relay Council.

OPA staff members also actively participate in stakeholder groups including: the Energy Working Group of the Maine Climate Council, the NECPUC Retail Demand Response & Load Flexibility Working Group, the Maine Offshore Wind Initiative, the Transmission Planning Study Group of the Governor's Energy Office, the Society of Utility and Regulatory Financial Analysts, the Maine Yankee Oversight Group, the Long Duration Energy Storage National Consortium, E2Tech, the FERC Spent Nuclear Fuel Storage Group, the Water Ratepayer Assistance Program, Northern Maine Independent System Administrator, Clean Energy States Alliance Regulators Energy Storage Working Group, and the Efficiency Maine Low Income Advisory Group.

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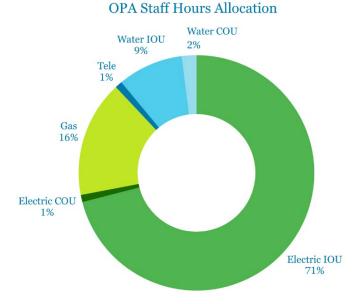
## **OPA Consultant Expenditures and Resource Allocation**

Throughout the year, all of the staff members in the OPA track their time according to subject matter. Similarly, our consulting contract expenses are tracked by subject. Per statute 35-A M.R.S. § 1702, sub-§ 6A, the OPA is required to provide the

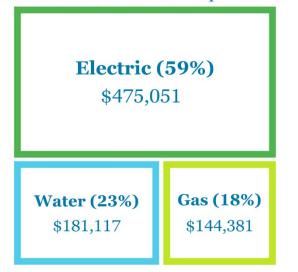
following accounting:

- The portion of the OPA's resources devoted to matters related to investor-owned utilities and the portion of resources devoted to matters related to consumer-owned utilities, and
- The OPA's expenses per dollar of intrastate gross operating revenue for investor-owned utilities and for consumer-owned utilities.

The OPA staff includes just six attorneys and one economic analyst. This means that we must rely on outside expertise to assist with many of our cases. The chart below displays the OPA's consultant expenditures from July 1, 2024 through June 30, 2025.



### **OPA FY 2025 Consultant Expenditures**



The resource allocation chart shown below determines the apportionment of the annual assessment on Maine's utilities that funds the OPA's approved FY25 budget of \$3,003,620 for regulatory activities and \$950,000 for the Nonwires Alternative Coordinator.

#### **OPA Resource Allocation**

Utility Type	Portion of OPA Resources	OPA Expenses per Dollar of Utility Revenue
Electric – IOU	71%	\$0.003634485
Electric – COU	1%	\$0.001014247
Gas	16%	\$0.002132465
Telephone	1%	\$0.000171447
Water – IOU	9%	\$0.009264687
Water – COU	2%	\$0.000353547

