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TO: Maine State Legislature, Joint Committee on Energy, Utilities and Technology
FROM: Electricity Ratepayer Advisory Council via Heather Sanborn, Public Advocate

We are pleased to present our most recent report, *Is Maine's CEP-Served Residential Retail Electric Supply Market Affordable?* Our 2024 analysis found that, over the eight-year period from 2016 through 2023, Maine residential customers purchasing electricity from competitive electricity providers (CEPs) paid more than \$135 million above what they would have paid under the standard offer. The updated analysis presented in this report shows that, although the number of residential CEP customers has declined over this period, cumulative residential ratepayer overpayments now exceed \$156 million as of 2024.

This new report examines whether these overpayments disproportionately affect low-income households. Specifically, the analysis sought to answer two questions:

- Are recipients of Low-Income Assistance Program (LIAP) benefits disproportionately more likely to purchase electricity from competitive electricity providers?
- Do LIAP recipients pay higher rates to CEPs than non-LIAP customers?

Using confidential zip-code-level data provided by Central Maine Power and Versant Power, we analyzed data from December 2021 through May 2025, which included information regarding all prices charged to LIAP-enrolled and non-LIAP-enrolled customers. The report presents the geographic distribution of CEP customers statewide, the variability of CEP rates, annual overpayments relative to the standard offer, how those overpayments are distributed across communities, and what impact overpayments have had on LIAP recipients.

The results indicate that lower-income communities, in particular, pay substantially more than necessary for electricity supply. Some low-income customers pay exceptionally high premiums as CEP customers. When focusing specifically on LIAP, the analysis shows that LIAP recipients represent a growing share of all CEP customers and that, on average, they consistently pay higher premiums than non-LIAP customers.

In light of these findings, we urge the Legislature to take action. **ERAC recommends that the Energy, Utilities and Technology Committee consider legislation this session to ensure that no LIAP-enrolled utility customer is charged more than the standard offer rate for their electricity supply.**

This action is particularly urgent because, in October 2026, LIAP’s program design will shift to become a monthly discount off of an eligible customer’s entire bill, rather than a lump sum payment. Because the amount of the LIAP benefit will now be tied directly to the customer’s bill amount, allowing CEPs to charge LIAP customers more than the standard offer rate would waste precious program funds.

To provide additional context for this recommendation, this memorandum also includes a survey of how 12 states with deregulated retail electricity markets regulate participation by customers receiving low-income energy assistance.

Survey of regulations related to Low Income Assistance and Retail Electricity Choice

This addendum summarizes how regulations in 12 states with deregulated retail electricity markets address the ability of customers receiving low-income assistance to participate in the retail electricity supply market.

States with restrictions

State	Policy Summary	Links
Maryland	Maryland’s 2021 law (Chapter 637) requires the Public Service Commission to approve any retail electricity or gas supply contracts offered to households receiving energy assistance and restricts suppliers without approved offers from serving those customers. The Commission created regulations to implement the law, but no supplier has applied for approval.	Jan 2024 MD PSC 5-yr Report on SOS and Retail Electricity Supply Retail Electricity Supply Offers to Energy Assistance Households
Connecticut	PURA recently ruled that financial hardship customers may contract with a supplier, but their contract must be at a rate equal to or less than the utility’s standard service rate. Low-income customers in Connecticut are not disqualified from supplier-shopping solely because of their income/assistance status. Suppliers may serve "hardship" customers — but must comply with rate caps and consumer-protection rules.	Consumer Protection Legislation and Rights Against Third Party Electricity Suppliers

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State	Policy Summary	Links
Pennsylvania	Customers enrolled in an electricity customer assistance program (CAP) may not also enroll with a competitive electricity supplier.	Pennsylvania PUC: PApowerswitch.com
New York	In 2016, NY banned energy service companies from selling to low-income consumers. Energy Services Companies (ESCOs) that meet certain criteria set forth by the Department of Public Service may petition the Commission to serve low income customers in New York State.	NY PSC Press Release Order adopting prohibition on service to LI customers
Ohio	Members of co-ops, customers participating in energy assistance programs such as Percentage of Income Payment Plan (PIPP) or customers of municipal power systems are not eligible for the choice program.	PIPP plus brochure EnergyChoice Ohio FAQs
Illinois	In general, ratepayers may not be enrolled with an alternative supplier if they have received LIHEAP funds during the previous 12 months or if they are currently participating in an income-qualified payment plan with their utility.	Plug In Illinois®, the Official Electric Choice Website of the Illinois Commerce Commission FAQ Illinois Commerce Commission Office of Retail Market Development 2025 Annual Report

States without restrictions

State	Policy Summary	Links
Massachusetts	Customers receiving the low-income discounted rate may also access the retail-choice electricity supply market.	Consumer protections rules and regulations
Michigan	The retail choice market in Michigan is capped at 10% of total electric load. Because the program is fully subscribed by commercial customers, it is effectively closed to residential customers for all practical purposes.	Michigan's electric choice program remains fully subscribed in 2024

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State	Policy Summary	Links
New Hampshire	Customers receiving low-income assistance may access consumer choice for electricity supply and they also remain eligible to choose community-power supply. Even if they switch to a competitive supplier, the state's Electric Assistance Program continues — the bill discount applies to the supplier portion.	
New Jersey	Customers receiving the low-income discount rate may also access the retail-choice electricity supply market.	
Rhode Island	Low-income customers are not barred from choosing a competitive supplier or participating in community-choice aggregation — the retail-choice laws apply broadly to all customers. The low-income discount rate applies to the entire bill.	RI Laws PUC
Delaware	There are no general regulatory restrictions that prohibit customers receiving income-qualified support for electricity from also enrolling with a competitive electricity supplier.	Delaware PSC