



Behind the Bill: What's Driving Increases in Electricity Costs in Maine?

October 7, 2026 | Hallowell – A typical Central Maine Power (CMP) household's monthly bill rose from about \$91 in October 2020 to about \$157 in October 2026, an increase of \$66 (72%). The total price went from 16.6 to 28.6 cents per kilowatt-hour. No single cause explains it. Three parts of the bill account for about \$57 of the \$66:

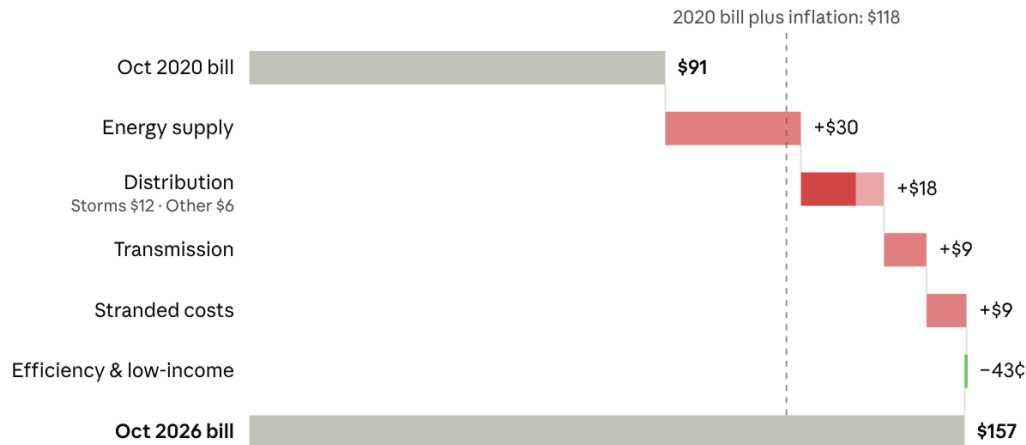
- **Energy supply** (+\$30), driven mainly by New England natural gas prices.
- **Local distribution** (+\$18), with storm costs alone adding \$12.
- **Transmission** (+\$9), driven by infrastructure replacement and high federally set profits.

Stranded costs, mostly from Maine's community solar program, added about \$9. Focusing on that issue alone misses about \$57 of the \$66 increase. About \$27 of the total would be expected from general inflation.

Natural gas prices and distribution costs drove nearly three-quarters of the \$66 increase

Typical CMP residential bill per month (550 kWh), October 2020 to October 2026

Red adds to the bill, green reduces it, grey is the total bill. Darker red within distribution is storm costs.



Supply, distribution and transmission together account for about \$57 of the increase. The dashed line shows where the bill would be today if it had only kept pace with inflation.

Energy supply: +\$30, driven by natural gas

The energy itself (the Standard Offer) rose from 7.3 to 12.7 cents per kWh, or from \$40 to \$70 a month. This is the largest single driver, an increase of 74%.

These prices are set in New England's competitive wholesale market, where natural gas usually determines the price. When gas prices rise, Maine bills follow.

Renewable energy is *not* behind the increase in this part of the bill:

- Subsidies for net energy billing and large wind and solar projects are not charged in this part of the bill. Those costs appear elsewhere.
- Renewables push wholesale prices down, so this increase would likely have been larger without them. The exact amount is hard to measure.
- Regional carbon (RGGI) and renewable certificate costs are included here but have not been a significant driver of increased costs so far. They could matter more in the future, and our office is working to get ahead of that.

Local distribution: +\$18, two-thirds from storms

Distribution covers CMP's local poles, wires and crews, and is regulated by the Maine Public Utilities Commission. It rose from 5.1 to 8.5 cents per kWh, or from \$28 to \$47 a month (65%).

Storm costs are the biggest piece of the increase. Storm costs above what CMP's base rates already cover went from 90 cents to \$13 a month. That \$12 jump is about two-thirds of the \$18 distribution increase. Our office is proposing changes to how storm costs are accounted for in rates, in hopes of incentivizing lower-cost storm response options.

The rest comes from higher utility spending and higher labor and supply-chain costs. This is the part of the bill where general inflation is most relevant.

Transmission: +\$9, with refunds possibly ahead

Charges for transmission, the high voltage system that moves energy around the state and the region, rose from 3.6 to 5.3 cents per kWh, or from \$20 to \$29 a month (47%). These rates are regulated by the Federal Energy Regulatory Commission (FERC), not by the Maine Public Utilities Commission. This charge is recalculated each year by formula and bounces around a lot due to timing-of-recovery issues. It was 3.2 cents in 2024, for example.

The increase in transmission rates is driven by utilities replacing aging transmission infrastructure. These projects have been earning high FERC-authorized rates of return.

FERC has now reined in the high rates of return somewhat and ordered large refunds of those excess profits, after litigation brought by our office with other New England consumer advocates and state regulators. We expect lower transmission rates in 2027 reflecting these refunds and lower rates of return, perhaps dramatically lower, but the utilities are appealing.

Stranded costs: +\$9, and expected to ease

Stranded costs rose from about 35 cents to about \$9 a month (0.06 to 1.7 cents per kWh). The percentage jump looks dramatic, but in dollars it is the smallest of the major drivers. Almost all of it comes from Maine's front-of-the-meter community solar program, open to new projects from 2019 through 2025. That program is now closed to new development, and compensation

for existing projects has been restructured to limit future growth.

We expect this charge to decrease slightly on January 1, 2027, as a result of the statutory reforms enacted in 2025.

Efficiency Maine and Low-Income Assistance: slightly down

Charges for Efficiency Maine programs and the Low-Income Assistance Program fell from about \$2.70 to \$2.30 a month (0.5 to 0.4 cents per kWh). The low-income charge rose about 30 cents while Efficiency Maine fell about 75 cents, so together they are not contributing to the increase.

Inflation: about \$27 would be expected

Something that cost \$91 in 2020 would cost about \$118 today using the federal Consumer Price Index. By that measure, roughly \$27 of the \$66 increase reflects general inflation. CPI is an imperfect yardstick for an electric bill, but some increase would be expected regardless. Inflation is most relevant to the distribution component of rates, where labor and equipment costs could be expected to track the wider economy.

About these numbers

Figures are for a CMP residential customer using 550 kWh a month, comparing October 2020 rates with October 2026 rates. Components of the fixed monthly customer charge have been converted to a per kWh amount using 550 kWh of average usage. Monthly dollar amounts are rounded, so the parts do not add exactly to the total.

Versant customers see most of the same trends at different dollar amounts. One exception: storm costs are not currently driving Versant's distribution rates to the same degree.

Sources: OPA analysis of CMP rate filings (MPUC Docket Nos. 2019-00163, 2020-00065 and 2026-00011) and the current [CMP Standard Offer rate](#). Storm cost figures are from OPA internal analysis.

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