

Why Are Electricity Prices So High?

Explaining the Drivers of Electricity Costs

If you're a ratepayer (a customer of public utility), you may have noticed a recent escalation in your electric bill. This is due to each component of your bill facing increases in costs.

Commodity Electricity

The cost of electric energy itself; produced from natural gas, nuclear power, and renewable generating facilities.

- These prices are set by the annual standard offer auction or by the competitive supplier, and have no input from CMP and Versant.
- Prices have recently increased due to Maine's lack of access to domestic natural gas during winter months, which creates a reliance on expensive LNG and oil.

Transmission

The cost of high voltage lines that carry power from large generators to local delivery systems.

- Costs fund reliability upgrades and the replacement of older facilities, and are shared across New England region, set by FERC.

Distribution

The cost of local delivery systems.

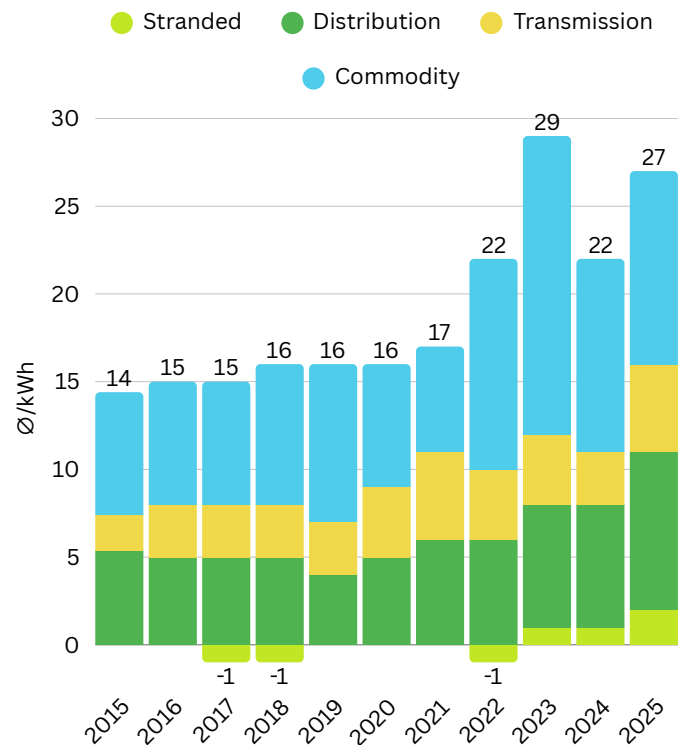
- Prices have recently increased as a result of reliability upgrades and unusual storm costs.

Stranded Costs

The cost of reimbursements for a utility's spending on programs and legal requirements.

- Costs increase due to long-term power contracts and community solar projects.

CMP Historical Prices by Component



Data has been rounded to the nearest whole number. The graphic displays an increase in each component's rates over a ten-year period.

What Does This Mean?

Many elements contribute to a rise in electric bills, including the cost of natural gas, storm damage, reliability upgrades, replacement of aging infrastructure, and solar programs.



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