



STATE OF MAINE
PUBLIC UTILITIES COMMISSION

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June 27, 2025

Honorable Mark W. Lawrence, Senate Chair
Honorable Melanie Sachs, House Chair
Members, Joint Standing Committee on Energy, Utilities and Technology
100 State House Station
Augusta, Maine 04333

Re: Performance-Based Regulation – Christensen Associates Report

Dear Senator Lawrence, Representative Sachs, and Members of the Joint Standing Committee on Energy, Utilities and Technology (Committee):

The Commission respectfully submits the enclosed report *Performance-Based Regulation Report With Recommendations* prepared by Christensen Associates Energy Consulting (the “Report”). The Commission retained Christensen to assist in examining performance-based tools for regulating Maine’s investor-owned transmission and distribution utilities.¹

Christensen initially prepared a draft report, dated April 29, 2025, which presented its draft findings regarding performance-based regulation (PBR) for the state’s electric utilities. The Commission then opened an inquiry, and on May 16, 2025, held a stakeholder workshop allowing stakeholders to ask questions and provide input on the draft report.² In particular, the Commission sought input on the goals of PBR for Maine’s investor-owned utilities. Stakeholders who attended the workshop included the Office of the Public Advocate; the Governor’s Energy Office; Efficiency Maine Trust; Central Maine Power Company; and Versant Power. Later in May, stakeholders had the opportunity to submit written comments regarding the draft report.³ Written comments were filed by Synapse Energy Economics, Inc., on behalf of the Office of the Public Advocate; Efficiency Maine Trust; AARP Maine; Central Maine Power Company; and Versant Power. With this stakeholder input, Christensen finalized its Report. In addition to Christensen’s findings, the final report includes Christensen’s recommendations for performance-based regulation.

¹ The 131st Legislature considered, but did not enact, L.D. 2172, *An Act to Enhance Electric Utility Regulation Based on Performance*. That Act would have required the Report. Regardless, given the significance of the topic of performance-based ratemaking and that the Commission received a letter from Senator Lawrence, Representative Zeigler and Representative Runte (then EUT Chairs and a Committee member) requesting this work be undertaken the Commission moved forward with this work.

² The inquiry was conducted under Docket No. 2025-00107, which may be found at: <https://mpuc-cms.maine.gov/CQM.Public.WebUI/Common/CaseMaster.aspx?CaseNumber=2025-00107>. Approximately 600 people were notified of the inquiry and the opportunity to participate.

³ Stakeholders had this opportunity regardless of whether they attended the workshop.

The Commission's submission of the Report includes:

- The Report;
- A transcript of the May 16, 2025, Workshop;
- A May 22, 2025, Procedural Order attaching the slides that Christensen presented during the Workshop;
- All written comments; and
- The April 18, 2024, Letter from Representative Runte, Representative Zeigler, and Senator Lawrence

The Commission appreciates Christensen's work, the contributions of stakeholders, and the opportunity to provide the Committee with this information. The Commission believes that the Report contains valuable recommendations, and the Commission intends to carefully consider the Report's guidance in the context of distribution rate cases. The Commission does not anticipate the need for further Legislative action related to performance-based regulation.

The Commission remains available if the Committee has questions or requires additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Bartlett II', with a stylized, cursive script.

Philip L. Bartlett II

cc: Lindsay Laxon, Legislative Analyst, Office of Policy and Legal Analysis