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Janet T. Mills
GOVERNOR

William S. Harwood
PUBLIC ADVOCATE

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Chairman Lawrence, Chairman Sachs, and Members – both new and returning - of the Energy, Utilities and Technology Committee:

My name is Bill Harwood and I have had the privilege of serving as Public Advocate for the past three years. During that time, I have enjoyed working closely with this Committee on energy and utilities legislation. As I am retiring at the end of this month, I will miss the opportunity to continue our work together on important legislation. It has been a great privilege to represent Maine ratepayers for the past three years and now, at age 72, it is time for me to focus on family and friends and step aside so Heather Sanborn can continue this important work.

It is my pleasure to speak briefly today regarding the work of The Office of the Public Advocate (OPA), both to provide an overview of the OPA Annual Report and the Electric Ratepayer Advisory Council Annual Report, and to answer any questions you may have.

The Office of the Public Advocate (OPA) was created in 1981 (Title 35-A M.R.S. Chapter 17) as part of the State's Executive Department. The Public Advocate is appointed by the Governor, subject to review by this committee and confirmation by the State Senate, to serve a four-year term. Currently, the OPA has 11 employees consisting of the Public Advocate, Deputy Public Advocate, four Senior Counsel, an Economic Analyst, a Legislative Liaison, a Consumer Advisor, and two Assistants, as set forth in the attached organizational chart. The OPA is required to prepare and submit to the Governor and this Committee an Annual Report on or before September 1st each year. This Report provides an overview of the Office's work for the prior year. (for ease of reference you may review the report electronically by visiting: www.maine.gov/meopa).

The OPA is funded by assessments on utilities subject to regulation by the Public Utilities Commission. Costs are allocated to each regulated industry (electric/ferry/gas/telecommunications/water) based on hours worked by OPA staff and

consultant expenditures. This year I am pleased to report that we were able to keep the total amount of assessments flat for the fourth year in a row and therefore avoided adding to the financial burden on ratepayers caused by rising utility and energy costs. For fiscal year 2024, the approved budget of \$3.7M was allocated among each of OPA's three operating funds: Regulatory Fund \$2,776,715, Transmission Fund \$500, and NWAC Fund \$950,000.

Our work is prioritized by statute. Our highest priority is advocating for low-income ratepayers, followed by residential ratepayers, followed by small commercial ratepayers and finally by industrial ratepayers (35-A M.R.S. § 1702-A). During the fiscal year ending June 30, 2024, through advocacy, negotiation, and persistence, we saved ratepayers more than \$86.5M. With this past year's savings, the OPA can now claim that over our 43-year history, we have saved ratepayers more than \$1B.

PUBLIC UTILITIES COMMISSION (PUC) CASES

The largest part of our work is participating in proceedings before the PUC. Typically, we actively participate in approximately 80 PUC cases at any given time. or approximately 25% of the total cases before the PUC.

Each year, the OPA is actively involved in challenging utility requests for rate increases; making sure each utility is providing "safe, reasonable and adequate" service under 35-A M.R.S. 301; and making sure that utility services are affordable to low-income ratepayers. The majority of these cases involve Central Maine Power and/or Versant Power. Our Office is also involved in major cases involving gas and water utilities.

Specifically, we have focused much of our PUC work on cases such as:

- Securing refunds for Electricity Maine customers for violations of consumer protection laws;
- Enforcing the statutory deadlines for developers seeking to qualify for NEB subsidies;
- Protecting ratepayers from excessive storm restoration costs;
- Requiring natural gas distribution companies and pipelines to measure, report and minimize greenhouse gas emissions;
- Requiring a hearing before the PUC for individual ratepayers involved in billing disputes with utilities; and
- Negotiating the lowest reasonable purchase price for energy from the proposed floating offshore project.

The OPA is active on the regional level in advocating before the Federal Energy Regulatory Commission (FERC), the federal agency that oversees wholesale electricity markets, interstate electricity transmission, and interstate gas transportation, protecting Maine ratepayers from being charged a share of unnecessary regional transmission projects. Our Office is also active as a consumer representative in the stakeholder process at ISO New England – the regional electric transmission grid operator.

In 2019 the Maine Legislature passed the Nonwires Alternatives (NWA) Act, a law designed to promote cost saving alternatives to traditional Transmission and Distribution (T&D) projects. The Act created the position of NWA Coordinator -a team of electrical engineers who specialize in T&D system development. The NWA Coordinator is a dedicated state resource focused solely on investigating cost-effective alternatives for T&D investments. Before the NWA Act, there was little visibility into many utility investments for T&D projects. Following the investigation procedures set by statute, the NWA Coordinator works with the utility and Efficiency Maine Trust to analyze the data underlying the proposed project. Since the beginning of the NWA initiative, about \$15M of ratepayer savings has been achieved over the lifetime of the identified projects.

LEGISLATIVE ADVOCACY

The second largest part of our work is appearing before this Committee and related legislative work. The Office is actively involved in testifying at public hearings and participating in work sessions and informal language reviews on legislation affecting Maine utility customers. Last session, OPA provided comments and advice to the Legislature on dozens of bills having an impact on ratepayers or consumer protections.

ELECTRIC RATEPAYER ADVISORY COUNCIL (ERAC)

As a result of legislation passed in the 130th Legislature (LD 1913), the OPA facilitates the work of the 18-member Electric Ratepayer Advisory Council (ERAC). Key findings in ERAC's most recent [December 1, 2024 report](#) include the following:

- There are approximately 100,000 low-income Maine households struggling to pay Maine's high energy prices.
- Electricity prices in Maine are twice the national average.

- On average low-income ratepayers in Maine pay approximately 8% of their household income just for electricity – double the 4% maximum recommended by consumer experts.
- As a percentage of household income, low-income households pay three times more than the average household for electricity.
- The “affordability gap” (the difference between what electricity costs and what low-income customers can afford) for electricity in Maine is estimated to be \$85M/yr.
- High CEP prices contribute to making electricity unaffordable for many low-income households.
- In 2023, 77 percent of residential CEP customers paid more for their electricity supply than if they had purchased standard offer service, and low-income customers are disproportionately likely to respond to exaggerated claims of energy savings in CEP marketing.
- During the eight years (2016-2023), CEPs charged Maine’s households \$135 million more for electricity supply than what would have been charged by the Standard Offer Provider.

ERAC made 20 recommendations to ensure that in the future electricity is affordable to low-income Mainers. These fall into three general themes:

- Give the OPA access to the data needed to complete the research of the CEP market to determine the extent to which low-income ratepayers are being overcharged by CEPs.
- Expand the Low-Income Assistance Program (LIAP) to provide larger benefits to more low-income households to relieve the affordability gap facing them.
- Increase consumer education and outreach to provide more help to low-income ratepayers to more efficiently use electricity and thereby reduce their costs.

The complete list of 2024 recommendations are on page 2 of the ERAC report.

In addition to ERAC, the OPA actively participates in many groups working on legislative and advocacy issues, including the Maine Distributed Generation Interconnection Working Group, the Energy Working Group of the Maine Climate Council, the Offshore Wind Working Group, the Northern Maine Study, GOIPIF’s Climate Change and Environmental Justice Working Groups, the Maine Yankee Oversight Group, the FERC Spent Nuclear Fuel Storage Group, the Maine Telecommunications Relay Council, Consumer Advocates of New England, and the Water Ratepayer Assistance Project.

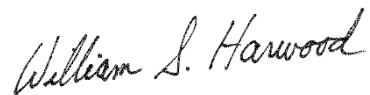
CONSUMER ASSISTANCE AND EDUCATION

Although it receives less attention than our PUC or legislative work, the OPA has a robust and important consumer assistance program. Typically, the OPA receives well over 100 calls and e-mails each month with questions, complaints, and/or frustration about a specific utility's rates or service. The OPA provides valuable assistance to these customers, including helping them navigate the formal complaint process at the PUC's Consumer Assistance Division.

The OPA also provides legislators, stakeholders, and other interested parties a monthly newsletter, [Highlights](#), summarizing the work of the OPA. Consistent with the OPA's mission to be a trusted source of information on Maine utility matters, Highlights is one of the few publications keeping the public informed about current issues of utility regulation in Maine. We are proud of the readership record for this resource.

The talented staff of the Office of the Public Advocate and I are privileged and honored to work on behalf of Maine consumers and to represent their interests before the Maine Public Utilities Commission, the Maine Legislature, and Federal agencies. The OPA team looks forward to continuing to do so.

Respectfully submitted,

A handwritten signature in black ink that reads "William S. Harwood". The signature is written in a cursive style with a clear, legible font.

William S. Harwood
Public Advocate

OFFICE OF THE PUBLIC ADVOCATE ORGANIZATION CHART

