

## **LD 2010 “An Act to Help Maine Residents with High Electricity Costs”**

### **BILL SUMMARY**

This bill is a concept draft pursuant to Joint Rule 208. The bill would establish a tax rebate program for certain electricity ratepayers. It would provide a \$1,000 tax rebate for residential ratepayers. It would also provide a \$2,500 tax rebate for businesses with high energy usage.

[Link to summary on Maine Legislature page.](#)

### **POTENTIAL PROPOSAL/OPTIONS FOR HOW TO SET UP**

There are two main options to consider that we could go with in terms of how and how much can be sent out to businesses in question:

1. An equal amount to all Medium General Services (MGS) customers taking the standard offer. For instance, \$2,500.
2. A tiered amount with 3 categories of standard offer Medium General Service (MGS) customers: perhaps \$1500 for those below 50,000 kwh; \$2000 for those between 50,000 and 100,000 and \$3000 for those +100,000 kwhs?

*Versant prefers like the simplicity of the first option, but are open to thinking by CMP and others as well. I think the simple option might be an easier sell for the committee.*

### **HOW IT COULD WORK**

Logistically, there are a few options for the committee to consider for implementation of this bill.

1. Apply the credit (\$xxxx) to medium general service customers (MGS) that were subscribed as of January 1, 2022.
2. This could be applied to both CEP (competitive electricity provider) and standard offer customers. In Versant’s case, that would be 1,840

customers total. If you take out CEP customers it would be 1446 customers. Both sets of customers have experienced supply price increases, so if there is budget it seems to make sense to include them both.

3. The state would appropriate the funding for these credits to be applied. Once that funding has been deposited (early summer?) with the utilities they could then provide the credit to the customer at the next billing cycle (30-60 days after funds are made available).

4. There could be some type of reporting provision included so the utilities could account for the dollars in vs. dollars out, just so everyone is comfortable with the accounting.

Here's an example: If the State decides on a \$2500 credit for customers in this category, and there are 10,000 customers in that category, then you'd need a \$25m appropriation. That money gets deposited with the utilities based on their prorated share of customers in early summer, and they then apply the bill credit on the next available billing cycle, which could be between 30-60 days after deposit.

### **TABLE FOR POTENTIAL TIERED CREDIT FROM LINDA BALL (CMP)**

Linda Ball and company at CMP have taken a look at January and February 2022 usage levels for Medium General Service accounts on the Standard Offer, and both have a similar breakdown / potential cost. As a reference, the following is a breakdown based on Feb 2022 usage. They have taken the liberty of adding a 4<sup>th</sup> block for usage < 1,000 kWh, thinking they would not qualify for the credit. By far the largest category would be the range of < 50,000 kWh. Total projected cost would be in the range of \$7.7m

<b>22-Feb</b>
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<b>Custo mers</b>	<b>Usage</b>	<b>Average kWh</b>	<b>Avera ge Cost Increa se Comp ared to Dec 21</b>	<b>Projected Credit Amount</b>	<b>Total Cost of Credit</b>
630	0-999	213	\$27.75	\$0	\$0
4955	1,000-49,9 99	10,267	\$1,337 .55	\$1,500	\$7,432,500
108	50,000 - 100,000	68,015	\$8,860 .79	\$2,000	\$216,000
32	100,000+	141,533	\$18,43 8.49	\$3,000	\$96,000
					\$7,744,500