



**CENTRAL MAINE  
POWER**

**Testimony in Opposition to LD 1426  
An Act to Improve Maine's Economy and Lower Energy Costs  
Through Energy Efficiency  
April 30, 2013**

Senator Cleveland, Representative Hobbins and members of the Committee on Energy, Utilities and Technology, my name is David Allen. I'm here on behalf of Central Maine Power Company and Maine Natural Gas to testify in opposition to LD 1426.

Let me say from the outset that Central Maine Power Company supports the procurement of all energy efficiency resources that are cost-effective. In that regard we support section 2 of the bill that requires the Efficiency Maine Trust triennial plan to identify and evaluate all achievable cost-effective energy efficiency measures. Having that information will allow policy makers to create appropriate implementation plans that balance the savings those plans will create against potential implementation costs that will fall on the general body of ratepayers.

We also hope that such a plan will clearly identify all of the potential savings in transmission and distribution costs and energy costs with hard numbers so that policy makers will have a clear picture of the impact energy efficiency can have.

We do have a concern, however, that policy makers – that means you – appear to be cut out of the decision making process. This bill removes the current oversight of the legislature on the assessment that utilities charge their customers for energy efficiency. The study that CMP did on non-transmission alternatives in the MPRP case identified efficiency measures that would cost tens of millions of dollars to procure. Obviously, procuring them in one year or two could create rate shock for utility customers. The legislature currently approves the Efficiency Maine Trust budget, and along with it approves just how much the assessment on utility customers should be.

If you include weatherization of the housing stock in Maine in the calculation, the cost would be astronomical.

This bill removes that oversight, and requires the MPUC to approve all cost-effective efficiency and order utilities to increase their rates to pay for it – again, without legislative approval. While we certainly support achieving efficiency, we think a well thought out plan for getting there should include input from this committee and the legislature as a whole.

The bill also decreases the amount the Trust must spend on low-income customers and small businesses, the customers often least able to spend their own dollars on needed efficiency. We oppose reducing the amount available to these customers.

The bill prohibits T&D utilities from using ratepayer funds for fuel conversions, although the bill allows ratepayer funds to be used for conversions if they are funded by the Efficiency Maine Trust. This could be construed to prohibit utilities from allowing a customer from paying for a conversion grant over time through the customer's bill. It also lays out conditions before a utility can even use shareholder funds for conversion grants. It is highly unusual for the legislature to restrict how shareholder funds can be used, and we oppose this section.

On the natural gas side, the same prohibition exists, even though state policy encourages conversions from oil to natural gas. Recently, the MPUC has found that ratepayer-funded conversions are appropriate, and many of our plans include conversion grants and loans that help customers convert to natural gas.

The bill also eliminates the 5000 customer threshold before a utility must charge its customers an assessment for conservation. We think the threshold makes sense. Maine Natural Gas has not built such an assessment into its tariffs, and we have contracts with several large customers that may not allow us to increase our rates for such an assessment.

More troubling is the fact that there is no limit on how much that assessment can be. Since natural gas is used for heating, "all cost-effective efficiency that is achievable" means every home and business would have to be weatherized to the maximum extent possible. Again, the costs would be astronomical and would drive up natural gas rates, while our competitors, primarily oil but propane and other heating sources would have no such assessment or requirement.

The bill sets very aggressive goals for weatherization and tasks the Trust with achieving those goals, even though the Trust receives funds primarily through electric rates and RGGI dollars – also derived from electricity customers, while most homes are heated with oil. Electricity customers should not be tasked with funding weatherization projects for homes heated with other fuels.

I'll be happy to answer any questions you may have.



**CENTRAL MAINE  
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**Testimony in Support of LD 1425  
An Act to Create Affordable Heating Options for Maine Residents  
and Reduce Business Energy Costs  
April 30, 2013**

Senator Cleveland, Representative Hobbins and members of the Committee on Energy, Utilities and Technology, my name is David Allen. I'm here on behalf of Central Maine Power Company to testify in favor of LD 1425.

This bill is a good piece of legislation with one goal in mind, reducing energy costs for Maine residents and businesses, especially in the area of home heating.

The financial resources available to Maine residents and businesses are severely constrained by our annual heating costs, and little has been done to help Mainers reduce those costs through fuel conversions and weatherization. We hope this bill will be a good first step in finding the resources necessary to help them save money and still stay warm and healthy.

We do wish that more emphasis could be placed on helping the neediest residents, especially seniors struggling to stay warm on fixed incomes, though we recognize that 20% of funds are already allocated there.

At this point, I don't see a need to speak to every section of the bill because as a whole it addresses a serious problem that many of Maine's citizens face.

We urge an ought-to-pass vote on this bill.