

February 3, 2023

MAINE PUBLIC UTILITIES COMMISSION  
Inquiry Regarding Rate Structure for  
Standard Offer Service

NOTICE OF INQUIRY

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## I. SUMMARY

Through this notice, the Commission initiates an inquiry to obtain comment from interested persons regarding the rate structure for standard offer service and issues related to offering standard offer time of use (TOU) rates.

## II. BACKGROUND

In the year 2000, the Legislature deregulated electric supply service in Maine and provided customers with the opportunity to choose the provider of their electric supply. 35-A M.R.S. §§ 3201-3217. If customers do not choose a competitive electricity provider, by default electric customers in Maine receive their electric supply from the standard offer service provider(s). Standard offer service is the only type of default service in Maine and is provided directly by standard offer providers to customers at retail. Standard offer providers supply requirements service for their load share and are not assigned particular customers.

Generally, each fall, as part of a competitive bidding process, the Commission issues an order approving requests for standard offer proposals for the service territories of Central Maine Power and Versant Power's Bangor Hydro and Maine Public Districts. The standard offer service provider for each service territory is then selected by the Commission following the competitive bidding process, resulting in a standard offer rate for each calendar year, running from January 1 to December 31. Chapter 301 of the Commission's rules governs standard offer service.<sup>1</sup>

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<sup>1</sup> The Commission notes that currently under Chapter 301, standard offer prices for the residential and small non-residential standard offer class must be an amount per kWh that does not vary by a customer's usage level, or by month or time of day. Prices may not include any amounts charged on a per-kWh, per-customer, or fixed charge basis. MPUC Rules, ch. 301, § 2(A)(3). Thus, to the extent a TOU rate was to be offered to this customer class, the Commission would need to amend Chapter 301.

### III. PURPOSE OF THIS PROCEEDING AND REQUEST FOR COMMENT

The Commission is considering whether it may be in the public interest to offer standard offer TOU rates to all customer classes in the service territories of Central Maine Power and Versant Power and therefore the Commission requests comment on the following:

1. Describe the potential risks and benefits to customers and/or the distribution system of offering standard offer TOU rates?
2. Describe whether and to what extent standard offer TOU rates might affect beneficial electrification, greenhouse gas emissions, and other related State policy goals.
3. What are the financial and behavioral impacts of TOU electricity rates on vulnerable households? To what degree should they have access to additional assistance or be considered separately in time-of-use rate design?
4. If the Commission were to offer standard offer TOU rates, should those rates be optional (i.e. opt-in), default (i.e. opt-out), or mandatory? Should the policies be different for residential and non-residential rate classes?
5. What is the likely expected uptake of TOU supply rates? How could standard offer TOU rates be structured to maximize adoption?
6. How would the rate option be communicated? Whose responsibility would it be to communicate the rate option to customers? How would the customers best suited for such rates be identified?
7. Is there technology available that could assist end-users with beneficially scheduling their load (i.e. shifting their consumption off-peak)? Is this technology widely and inexpensively found in the marketplace?
8. To what extent should the standard offer periods be aligned with ISO-NE system peaks, the distribution system peaks, or some other usage pattern?
9. Is it necessary or preferable for standard offer TOU periods to be aligned with T&D TOU periods? What would be the impact if the supply TOU periods did not align with wholesale market peak and off-peak hours?
10. If the Commission were to offer TOU supply rates, should suppliers responding to the standard offer RFP be required to offer both a time-differentiated bid and a non-TOU bid, or rather, should a provider be permitted to offer only a TOU bid or only a non-TOU bid?

11. Is it possible for a supplier to bid a fixed price (non-time-differentiated) but have the utility offer a TOU standard offer rate? If so, please provide a detailed description of how would such a structure work?
12. Describe whether and to what extent the utilities' metering and billing systems can accommodate a standard offer TOU rate. What changes would be required to either the metering or billing system? What is the estimated timeline and cost for implementing such changes?
13. In addition to the data typically provided in conjunction with the Commission's standard offer request for proposal, what other data would suppliers require to adequately inform a TOU supply proposal?

Interested parties are invited to offer comments on any additional issues related to TOU standard offer rates not set forth in this notice.

#### **IV. NOTICE AND PROCESS**

The Commission is providing this notice to persons on the notification list for the pending rate cases of Central Maine Power and Versant Power, Docket Nos. 2022-00152 & 2022-00255, persons on the Commission's notification list for competitive electricity providers, as well as to informal contact persons of record from existing and former standard offer service providers.

After receipt of this notice, persons interested in receiving further notices about this Inquiry must add themselves to the notification list for this docket.

Comments in response to this notice must be filed in the above-captioned docket no later than February 21, 2023.

Dated at Hallowell, Maine this 3rd day of February, 2023

BY ORDER OF THE PRESIDING OFFICERS

*/s/ Amy B. Mills*

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Amy B. Mills

*/s/ Rob Creamer*

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Rob Creamer