Date: January 13, 2026

Submitted electronically via CMS

Maine Public Utilities Commission
26 Katherine Drive
Hallowell, ME 04347

Re: Docket No. 2025-00176, Request for Comments on Synapse's Straw Proposals

To Whom it May Concern,

On behalf of Northeast Energy Efficiency Partnerships (NEEP),[1] we are pleased to submit comments relative to the Public Utilities Commission (Commission)'s Investigation of Time of Use Rates for Delivery and Standard Offer Service for Investor-Owned Transmission and Distribution Utilities (Docket No. 2025-00176). NEEP is a non-profit whose mission is to accelerate regional collaboration to promote advanced energy efficiency and related solutions in homes, buildings, industry, and communities. NEEP recognizes the importance of rate design as one of the crucial ways to address energy affordability as many states struggle to keep rates affordable for residential customers.

We thank the Commission for the opportunity to provide input on Synapse's Straw Proposals as outlined in "Rate Options for Maximizing Cost-Effective Load Reduction." In the document, Synapse proposes three straw proposals: critical peak pricing (CPP), peak time rebates (PTR), and electric vehicle (EV) only charging incentives. Each proposed option offers a different combination of potential load shifting, customer savings, and energy efficiency benefits. The recommendations below look at each straw proposal option and provide insight on how it could benefit Maine and ways to ensure successful implementation. The following comments are intended to provide technical assistance and resources relating to these three proposals. In addition to the recommendations below, NEEP has tools and resources available and can provide direct technical assistance.

Critical Peak Pricing (CPP) Proposal

Synapse proposes an opt-in CPP rate that would charge customers elevated critical peak rates (capped at $1.00/kWh) during high-demand days (maximum 18 days per year) for up to five hours per day. Synapse proposes that an opt-in CPP rate would be able to drive equal or greater load reductions as a default TOU rate. Synapse's proposal cites examples from multiple states showing that CPP can drive significantly larger per-participant load reductions than TOU rates, and they note that if Maine adopts an opt-in CPP rate that achieves 15-20% participation among residential customers, it could drive load reductions equivalent or greater than a default TOU rate.

While the per-participant load reduction data is promising, NEEP cautions that achieving even 15% adoption for a CPP rate would be difficult. NEEP research has shown that many opt-in rates do not achieve high rates of residential customer adoption. NEEP's review of opt-in time-varying rates showed that most rates for which we

[1] These comments are offered by NEEP staff and do not necessarily represent the view of the NEEP Board of Directors, sponsors, or partners. NEEP is a 501 (c)(3) non-profit organization that does not lobby or litigate.

were able to find enrollment data (9 out of 13) have customer enrollment rates of less than 1%. Additionally, other research has shown that across a wider range of rate types, opt-in rates do not generate significant enrollment among a customer base. Conversely, a general opt-out TOU rate may have lower per-participant load reductions but can reduce loads across a wider base of customers and can still lead to benefits for vulnerable customers. Additionally, an opt-out TOU provides an opportunity for all customers to participate in a rate and potentially benefit from it. In research on the PG&E default TOU pilot, Opinion Dynamics found that TOU rates have a beneficial or neutral impact on low-income customers even without behavioral changes.

If the Commission seeks to drive load reductions and load shifts away from peak periods, an opt-in CPP could be a viable way to accomplish this. However, significant enrollment is needed, which should include a robust engagement and educational campaign. Additional information on considerations around customer enrollment can be found in our report: Modern Rate Design in the Northeast. Additionally, NEEP recommends the Commission consider additional bill protections if they chose to deploy an opt-in CPP. The bill protection mechanism proposed in Straw Proposal would cap customer bill increases at 5% above their hypothetical bill on the previous flat rate for 12 months, which can provide relief but still means that customers will pay more than if they had stayed on their original rate.

Peak Time Rebate (PTR) Proposal

The next straw is an opt-out PTR proposal with a 4-5 hour peak window. Synapse notes that because PTR offers credits for customer usage reduction during peak times, there is no risk of adverse customer impact. Because of this, a PTR is typically more acceptable to customers and could therefore be implemented on an opt-out basis without the same concerns for negative impacts on customers that exists with a CPP. Additionally, opt-out PTR can achieve significantly higher enrollment percentages than other time-varying rates. Delmarva Power (Delaware)'s PTR program enrolled 93% of residential customers as of 2024. Yet, as Synapse notes there could be lower per-participant load reductions under an opt-out PTR. Additionally, PTR is not technology specific enabling all customers to enroll and participate in the rate. This results in limited negative consequences for customers.

Synapse adds that costs may be higher for PTR given the need to estimate customers' load reductions from a hypothetical baseline and potential utility system upgrade costs to implement the rate. They also note that the rollout timeline will likely be longer than for CPP because of the larger number of participants. The Commission should consider these elements when deciding if PTR would offer a net benefit to customers. For engagement and enrollment examples and best practices, the Commission and utilities can look to communication tools used by other utilities in other Northeast states such as BGE in Maryland to identify a communications strategy.

EV-Only Charging Incentives Proposal

Synapse's final proposal is for an opt-in electric vehicle (EV) only TOU rate with a 16-hour peak period during the day and an 8-hour off-peak period overnight. An EV-specific rate has the potential to shift large loads. An EV only TOU rate could both shift load and expedite enrollment and rollout. As Synapse explains, that targeting a subset of customers with a large, shiftable load will expedite the rollout of the rate. Further, this rate could likely be with minimal changes to the current utility billing systems.

As Synapse noted in its proposal, and NEEP found in our recent research, EV-specific rates and incentives have seen greater enrollment than more general time-varying rate structures and are able to meaningfully shift EV charging loads. However, NEEP encourages the Commission to consider an EV rate with an additional rate design that would be open to customers without EVs as implementing an EV-only TOU rate only benefits customers who can buy an EV. Under an EV-specific rate, there is a financial barrier to participation: customers must buy (or lease) an EV before they can use the rate. Additionally, an opt-out TOU rate provides similar benefits to an EV only TOU rate as it can still incentivize EV owners to charge at off-peak times and does not require the additional utility billing system expenditures to measure EV charger energy consumption through communication with smart chargers or vehicle telematics systems.

Recommendations for Coordinating with Suppliers

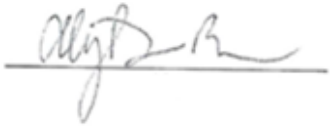
Regardless of which time-varying rate is implemented in Maine, supplier coordination will be another key element that merits special consideration. To ensure successful implementation of these rates, it will be important for the Commission to start engagement early and use lessons from states that have implemented or attempted to implement TOU supply rates with municipal aggregators and competitive suppliers. California has managed coordination between regulated utilities and competitive electricity providers (CEPs), in orders (Decision 19-07-004 and Decision 18-12-004). The joint strategy involved timelines for CEPs to decide whether they would offer supply TOU rates in line with the utilities' TOU framework and coordination between the utilities and CEPs to minimize potential customer confusion.

It is also important to note that there are barriers to suppliers participating in these rates. For example, the Exeter Report in MPUC Docket No. 2024-00231 noted that these rates only appear as a single line item on the customer's bill, which does not allow them to accurately communicate the time-varying nature of TOU billing and limits their ability to influence customer behavior. Additionally, there are added costs for CEPs to develop and implement modern rate structures, such as upgrades to meters and billing software. Because CEPs are regulated differently than distribution utilities, they do not have cost recovery for such upgrades as regulated utilities do.

Conclusion

Overall, this investigation shows the Commission's commitment to modernize ratemaking that aligns the goals of energy efficiency, electrification, and peak demand reduction, unlocking opportunities to lower bills and system costs. These comments are intended to support the work currently underway by the Commission, and we appreciate the opportunity to provide input. In addition to the comments, NEEP is available to provide technical assistance and assist the Commission in rate design best practices that accurately reflect electric system costs while promoting customer affordability, energy savings, and load shifting as Maine continues to pursue strong climate and energy goals. For additional insight into these recommendations please review our most recent report on rate design.

Sincerely,



Erin Cosgrove
Director, Policy and Programs
Northeast Energy Efficiency Partnerships
ecosgrove@neep.org

Luke Miller
Senior Associate, Policy and Programs
Northeast Energy Efficiency Partnerships
lmiller@neep.org

Abigail Brown
Manager, Codes and Standards
Northeast Energy Efficiency Partnerships
abrown@neep.org