

7-2003

Electricity Guide, Vol. 7, July 2003

Maine Public Advocate Office

Follow this and additional works at: http://digitalmaine.com/meopa_docs

Recommended Citation

Maine Public Advocate Office, "Electricity Guide, Vol. 7, July 2003" (2003). *Public Advocate Office Documents*. Paper 40.
http://digitalmaine.com/meopa_docs/40

This Text is brought to you for free and open access by the State Documents at Maine State Documents. It has been accepted for inclusion in Public Advocate Office Documents by an authorized administrator of Maine State Documents. For more information, please contact statedocs@maine.gov.

ELECTRICITY GUIDE

Maine Public Advocate Office

Volume 7 — July 2003

LOWER BILLS

EFFICIENCY

REDUCED EMISSIONS

CONSERVATION

GREEN □ POWER

Conservation No Longer Means Freezing in the Dark. In the old days, during the oil crisis of the late 1970s, many people decided to “do their part” to conserve energy. In large part, this meant “freezing in the dark” because it required personal sacrifice. In order to use less energy, one had to turn off lights and turn down thermostats.

We’ve come a long way since those days. Now, in a time when people rarely discuss the fact that the world’s oil reserves are finite, there are better reasons to conserve: 1) conserving no longer means “freezing in the dark” or making any sacrifice of comfort, 2) conserving can mean less air pollution from fossil fueled power plants, and, best of all, 3) it can save you money because your electric meter will spin more slowly.

In fact, these days the term “efficiency” is much more accurate than “conservation”. In this article, we focus on electric efficiency, which, simplified, can be defined as getting the same comfort and service for fewer kWhs and less money. Because this Guide concerns only electricity, we do not specifically address heating oil or propane heating issues. *(continued on top of page 2)*

LOWER RATES at CMP

On July 1, rates for residential customers of Central Maine Power will come down, the result of a price index for distribution pegged to our low inflation rate. The new distribution rates, combined with prevailing standard offer rates for the energy supply component, are shown in red in the table below.

CMP RATE CHANGES	Old rates (per kWh)	Typical bill (600 kWh)	New rates (per kWh)	Typical bill (600 kWh)	% change/ \$ change
Delivery	7.25¢	12.20	6.69¢	11.64	-4.59%
Supply*	<u>4.95¢</u>	<u>X 600</u>	<u>4.95¢</u>	<u>X 600</u>	
Total	12.2¢	\$73.20	11.64¢	\$69.84	-\$3.36

*This supply rate is the Standard Offer rate currently in place. This rate will remain the same through February 28, 2005.

Bangor Hydro Rate Change. On July 1, residential delivery rates will change for Bangor Hydro customers, but the amount of the change is unclear at the moment. The delivery rate is made up of roughly three parts. First, stranded costs, covering Bangor for legitimate historic expenses associated with its former role as a generation provider, will be unchanged. Distribution costs, covering the local network of poles, wires and meters, will be reduced 2.5% on July 1. The uncertainty is because of the third portion, transmission, which covers the expenses for the high voltage, bulk power grid owned by the company. The rate for this will be decided in Washington by the Federal Energy Regulatory Commission (FERC) sometime this summer. The Maine PUC estimates that transmission rates will go up, offsetting the 2.5% discount for distribution. This would leave Bangor customers with unchanged rates.

A Shining Example of Efficiency: Compact Fluorescent Bulbs. Compact Fluorescent bulbs (CFLs) are a perfect example of getting the same for less. CFLs live up to their hype: they use a fraction of the power needed by incandescents but give as much light with similar quality. Even though each bulb costs more than its incandescent counterpart, it will last much longer. Add it up and you can save without sacrificing.

Today's CFLs have come a long way. It used to be that they cost as much as \$20 for one bulb that sent out a vibrating glare of white light. Now, technology has improved to the point where most people do not notice the difference in the light produced by CFLs, and they cost less. Furthermore, they used to be incompatible with timer switches, and could not be used in outside fixtures. Both of these problems have been solved, too, though some new CFLs remain incompatible with timers. (They remain incompatible with dimmer switches.) Also, they now come in many shapes and can fit in most fixtures. The only thing keeping consumers from switching completely appears to be the price: they still cost around \$8 - \$10 per bulb. We urge you to buy them, however, because over their longer lifetime, you will more than make up this extra initial cost through lower electricity bills. For example, according to Energy Star, a single ENERGY STAR-qualified CFL that replaces an incandescent bulb can save you more than **\$30** in energy costs based on a minimum life of 6,000 hours (compared to a minimum of 750 hours for a typical incandescent bulb).



ENERGY STAR is a program where the US government sets a threshold level of electric efficiency for many household appliances and other devices that use electricity. Appliances that meet or exceed these thresholds may apply the ENERGY STAR label so that customers know the product is efficient. Like CFLs, other high-efficiency electrical appliances have a higher initial cost but produce a clear financial benefit over time.

Electrically efficient refrigerators, dishwashers, washing machines, air conditioners, TVs, VCR/DVDs, cordless phones, answering machines, computers, printers and many more items are available on the market and are rated under the ENERGY STAR program. A good resource for finding out more about these items is the ENERGY STAR website (<http://www.energystar.gov/>) or you can call the ENERGY STAR hotline: 1-888-STAR-YES, (1-888-782-7937). The ENERGY STAR website has a host of information on products, manufacturers, efficiency standards, and can even help you calculate the cost savings of certain purchases. The website is well worth a visit.

PUC Conservation Programs. Over the last 20 years, electric utilities in Maine have offered conservation programs to various electric customers. Those best known to residential customers are the electric water-heater wrap and the compact fluorescent light bulb replacement programs. Beginning last summer, the Legislature turned over control of these programs to the Maine PUC. Since then, the PUC has put into place new efficiency programs aimed at a wide cross-section of customers from low-income residential to large industrials. A small percentage of your bill goes towards these programs. Currently, residential customers in CMP territory pay about 60¢ out of every \$50 electric bill for these programs. The rates are smaller for other utilities, but these numbers are about to increase pursuant to a recent PUC order. There is currently a bill before the Legislature, held over to the Second Session, that may result in a change in the levels of funding for all Maine's electric utilities. *(continued on top of page 3)*



Before approval, all programs are analyzed in detail to make sure that they will be cost effective. Only those programs whose cost is outweighed by the expected benefits will qualify. This is a rather technical exercise, but similar efforts here and in other states give us confidence in the PUC’s ability to correctly choose the best programs.


One program, aimed at residential lighting, offers a \$2 instant rebate on ENERGY STAR qualified compact fluorescent bulbs and \$12 off ENERGY STAR qualified outdoor CFL hard-wired fixtures, indoor hard-wired fixtures, torchieres and hardwired ceiling fans with light kits.

For more information, and for good energy-saving tips, go to the PUC’s conservation website (<http://www.energymaine.com/>) or call the PUC at 207-287-3831.

An Energy Choice: Green Power Offering!

In past issues, we have mentioned the possibility of a “green power” product that could serve as an alternative to standard offer service. This winter, Maine Interfaith Power and Light announced two retail electricity products, both generated by renewable resources. They have recently announced that they have contracts with over 1,000 residential customers.

Green Power. One product, “Green Power”, is generated solely from Maine renewable resources and offered by a partnership between Maine Interfaith Power & Light and Competitive Energy Services. This is priced at 6.5 cents/kWh. The price to which to compare this offering is your standard offer price. For CMP customers, this is 4.95¢/kWh, and for BHE customers it is 5¢/kWh. No fossil or nuclear fuels are used to generate the electricity. The benefit that you and others may find worthy of the higher price is the knowledge that your check supports an alternative to the pollution caused by fossil-fired generators and to the long-term storage issues associated with the radioactive by-products of nuclear generation. The best news, of course, is that the choice is now yours! (Because it is not electrically connected to the south, except through Canada, this product is not available in Northern Maine.) The chart shows the costs of this Green Power and what your monthly bill could look like with and without this product.

	GREEN POWER PRICE COMPARISON			
	CMP Customers		BHE Customers	
	Rate*	Monthly bill (600 kWh)	Rate*	Monthly bill (600 kWh)
With Standard Offer	11.64¢/kwh	\$69.84	14.80¢/kwh	\$88.88
With “Green Power”	13.19¢/kwh	\$79.14	16.30¢/kwh	\$97.80

*These amounts include the utilities’ distribution charges and thus your entire “rate”.

Green Tags Maine Interfaith Power and Light is also offering a product it calls green tags. “Tags” are a paper record created whenever a unit of electricity is produced. The Green Tags product is associated with new renewable resources: by purchasing these tags, you are using your money to support new renewable generation. The following chart is copied from Interfaith’s website and is intended to show the price of these Green Tags.

If you use 6,000 kWh of electricity per year (about average for a Mainer):		
100% Annual Electricity Emissions Offset	= 6 Green Tags	= \$120
50% Annual Electricity Emissions Offset	= 3 Green Tags	= \$60
25% Annual Electricity Emissions Offset	= 2 Green Tags	= \$40

For more information, or to sign up for one of these products, go to either of these websites (<http://www.meipl.org/> or energymaine.com) or call (207) 772-6190. If you intend to sign up, have a copy of your electric bill nearby.

Except for this green power offer, there is almost no retail choice in Southern Maine. As of May only 1,506 CMP customers and 341 Bangor Hydro customers in the residential/small commercial standard offer class were buying power from the retail energy market. In Northern Maine, however, the story is significantly different. As of last month, there were 5,662 residential/small commercial customers buying power off the retail market. There are a variety of reasons why competition appears to be better in Maine Public Service Company's service territory. According to the Maine Public Utilities Commission, reasons include "the prior existence of an energy-purchasing consumer coalition, [and] the greater likelihood that suppliers and customers know and will contract with each other". The PUC also points out that the small standard offer class in MPS' territory includes larger customers than in the rest of the state (up to 50 kW versus 20 and 25 kW in CMP and BHE territories respectively).



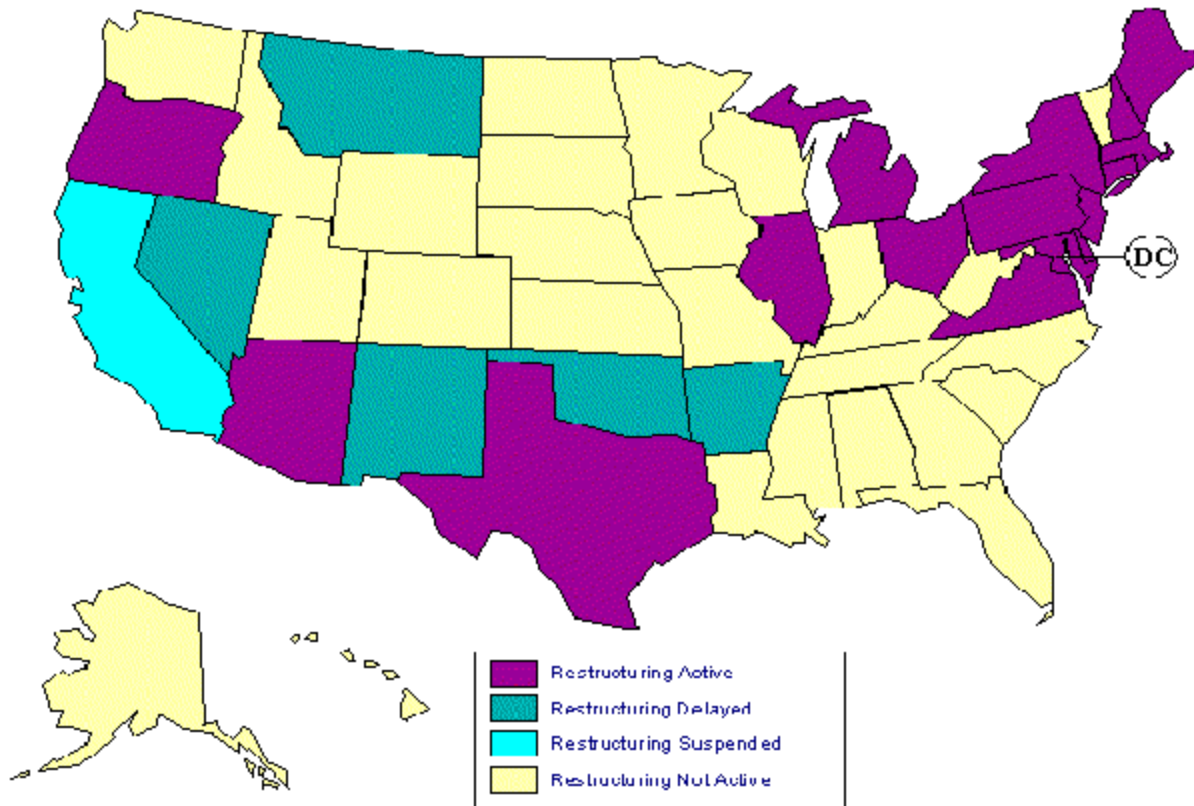
What is Green Power? Green Power is loosely defined as electricity generated by renewable resources. This excludes oil, coal and nuclear. It includes hydro power, solar as well as wind and power generated by the burning of "biomass", which in Maine is made up of the by-products of the forestry/paper industry.



York Transmission Case. The Public Advocate has been assisting citizens and towns in Southern York County in their efforts to ensure that reliability of the electric distribution system that serves them is achieved with minimal impacts to their communities and their quality of life. At the beginning of the year, we were successful in seeking a PUC examination of CMP's proposal to construct a 69 kilovolt transmission line and related substation improvements from Bolt Hill substation in Eliot to York Harbor.

The Commission will look at the need for improvements, and whether there are alternatives to CMP's proposal that make more sense both in terms of cost and aesthetics without negatively affecting the reliability of power delivery. CMP prefers to build the new line along either Route One or the Maine Turnpike. We hired a technical consultant who concluded that a new line is in fact needed, but that it should be located in an existing transmission right of way that comes from North Berwick through parts of South Berwick, Wells and Ogunquit. The next step is for the Company to file its response to our report. A Commission decision in the case may come as early as August.

Since the electricity crisis in California in 2001, Congress and state legislatures have been much more cautious with restructuring efforts. The following map shows what other states are doing.
 (source: www.eia.doe.gov)



Rates, Past and Present	1999 Bundled Rate (\$/kWh)	Current Ave. Rates (\$/kWh)	% Change Since Pre-Restructuring
CMP Residential	0.1321	0.1164	-11.9%
BHE Residential	0.1451	0.148	3.4%
MPS Residential	0.12845	0.13242	3.5%

The electric industry in Maine was restructured in 2000, three years after the Legislature authorized the change. While many bumps remain in the road ahead, Maine customers have so far benefited. Since 1999, total electricity rates have come down in Maine, but only for CMP customers.

Maine Public Service Rate Change Request. This spring, MPS filed a request at the PUC for a distribution rate increase of 8.9% (\$1.3 million) in conjunction with a proposal for an alternative rate plan (ARP). A public witness hearing was held in Presque Isle on May 9. If accepted, the increase in total rates would be 2.1%. We have intervened in the case, and will be presenting evidence against the request. We will likely support the ARP, but with a much different design than that proposed by MPS. No schedule has been set for the case, but a final decision could come as early as the fall.

Maine Public Advocate Office
112 State House Station
Augusta, ME 04333

Know Your Rights: The Ten Person Complaint

Any ten customers of a utility have the right to join together and request a Commission investigation of a utility rate or practice. In fact, it was such a 10-person complaint that was behind the Commission's decision to investigate the need for and appropriate location of a new transmission line to serve the area in and around the town of York (see page 4). After a complaint is filed, the utility must respond. If its response fails to show that the complaint has no legitimate basis, or that the problem has not otherwise been resolved, the Commission may open an investigation, at which point it becomes a full-fledged case at the Commission. There is no guarantee of a specific outcome, but customers will get their "day in court" and legal rights to appeal an adverse decision to the Maine Supreme Court if the Commission opens an investigation.

ABOUT THE PUBLIC ADVOCATE OFFICE

Stephen G. Ward, the Public Advocate, and his staff of seven represent Maine's telephone, electric, gas, and water customers before the Maine Public Utilities Commission, the courts, and federal agencies. Our mission is to work for reasonably priced, safe, and reliable utility services for Maine people.

Website: <http://www.maine.gov/meopa> (Telephone 287-2445) **Email:** Eric.J.Bryant@maine.gov