

## Top 10 Frequently Asked Questions about Standard Offer Electric Supply

Q1: What is Standard Offer Electric Supply?

A1: Standard Offer (SO) Electric Supply is the default electricity supply provided to electric utility customers who do not choose a Competitive Electricity Supplier (CEP). The SO supplier or combination of suppliers is chosen through a competitive bidding process conducted by the Maine Public Utilities Commission.

There are two parts to your electricity bill. 1.) Electricity delivery (meters, poles, wires, substations etc.) charged by your local electric utility and 2.) Electricity supply, which is the cost of the actual electricity used. Electric consumers can purchase their electricity supply either through the standard offer or choose their own competitive electricity supply provider <https://www.maine.gov/meopa/electricity/electricity-supply#CEPrates>. Those who do not choose a competitive electricity supply provider automatically receive their electricity from the Standard Offer supplier.

Maine's electric industry restructuring law ([codified at 35-A M.R.S Sections 3201-3217](#)) allows retail consumers to purchase their electricity supply from competitive electricity providers (see [List of Competitive Electricity Providers](#)). Under the restructuring law, all competitive electricity providers (including all retail suppliers of electricity, electricity brokers, and aggregators) must be licensed by the Maine Public Utilities Commission.

Q2: I heard that supply prices are going up. Did the PUC just approve a rate hike for CMP and Versant?

A2: Standard Offer Electric Supply prices increased effective January 1, 2023, as a result of a competitive bidding process conducted by the PUC. CMP and Versant do not provide electricity supply and do not benefit from electricity supply rates.

There has been no delivery rate increase in 2023 for Versant or CMP, however transmission costs, which along with delivery costs make up the distribution rate, decreased by 1.28 percent for CMP residential customers and increased by about 1 percent for Versant Power Bangor Hydro District residential customers. Transmission rates for CMP and Versant's Bangor Hydro District are determined by a formula and approved by the Federal Energy Regulatory Commission (FERC).

Q3: Exactly how much will the standard offer supply price be?

A3: For residential and small non-residential customers of CMP, the Standard Offer price will be 17.63 cents per kWh effective January 1, 2023.

For residential and small non-residential customers of Versant-BHD, the Standard Offer price will be 16.4 cents per kWh effective January 1, 2023.

For residential and small non-residential customers of Versant-MPD, the Standard Offer price will be 14.88 cents per kWh effective January 1, 2023.

The Commission arranges for standard offer service through periodic competitive bid processes and approved the best bid or combination of bids received for standard offer supply service for the current standard offer rates that took effect January 1, 2023. The rates themselves are submitted by the bidders who are providing the electricity.

Q4: Why are electricity supply rates increasing so much?

A4: The majority of New England and Maine's electricity generation comes from natural gas and the recent standard offer price increases are related to increases in wholesale electricity market prices due primarily to constraints on the availability of natural gas in the region.

Q5: Does CMP or Versant benefit from the increase in Standard Offer prices?

A5: No. **Maine's electric utilities do not set the rates for electricity supply or retain the monies collected**; they simply bill on behalf of the suppliers so that customers do not receive two bills. They do, however, maintain the infrastructure that delivers the power to your home or business. That includes substations, large transmission lines, distribution lines, utility poles and meters that connect to homes and business.

Q6: What are my options if I do not wish to receive my electricity from the Standard Offer supplier?

A6: Most Mainers have the option of choosing their own electricity supplier. Doing so will only save you money if the electricity supply price you chose is lower than the Standard Offer Supply price. There are [important things to consider when choosing an electricity supplier](#).

Q7: Is there a list of Competitive Electricity Providers (CEPS) for my area?

A7: Yes. You can access the list on the [PUC website](#).

Q8: Does the PUC regulate electricity supply?

A8: No. The PUC regulates electricity delivery, but not electricity supply or transmission.

Q9: How do these rates compare to other New England States?

A9: Maine's electricity supply prices are currently lower than all other New England states.

Q10: Are there ways the state or the PUC can help with higher electric bills?

A10: There are a number of programs available to assist financially with utility bills and conservation. The PUC has developed a comprehensive list of statewide assistance programs available at [www.MaineElectricHelp.com](http://www.MaineElectricHelp.com). In addition, Governor Mills and the Maine Legislature approved assistance checks for most Mainers in the amount of \$450, which are expected to be distributed in late January through March 2023.