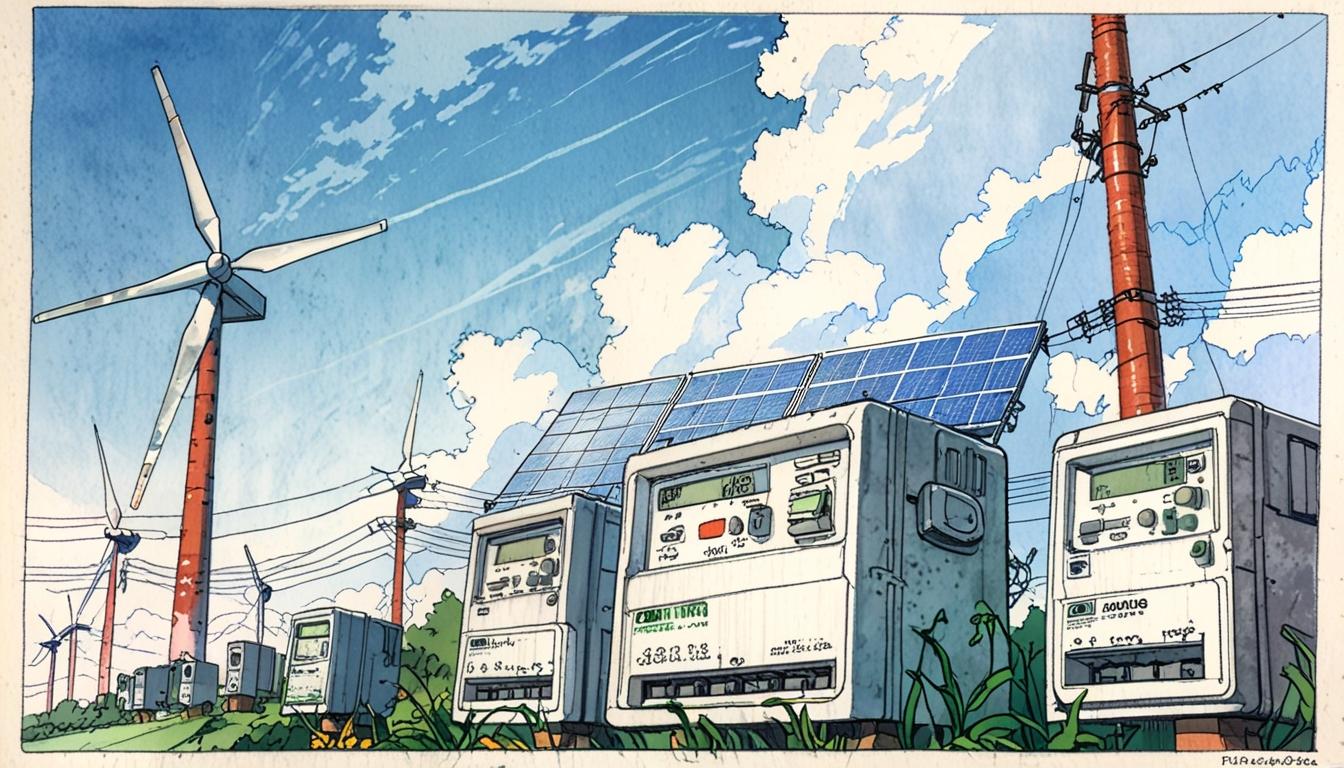
# Maine’s electricity prices surge 55% in decade amid clean energy push and infrastructure challenges



An analysis by The Maine Monitor reveals that the average retail price of electricity in Maine increased by 55 percent between 2014 and 2024, marking the third highest rate of increase in the United States during this period, behind only California and Massachusetts. The federal Energy Information Administration provided data showing that Maine's prices rose from 12.65 cents per kilowatt-hour (kWh) in 2014 to 19.62 cents in 2024. By comparison, the national average price rose by 24 percent, from 10.44 to 12.99 cents per kWh.

During this decade, Maine's electricity costs more than doubled the average national increase, though it was notably less than California’s 78 percent rise, where prices climbed from 15.15 cents to 27 cents per kWh. Other New England states such as Massachusetts and Rhode Island also saw substantial increases, with rates rising by 56 percent and over 54 percent respectively.

Maine faces a complex energy environment as it aims to balance affordability with ambitious climate goals. Governor Janet Mills has championed a target of achieving 100 percent clean energy generation by 2040. This commitment seeks to reduce carbon emissions linked to oil and natural gas use. Simultaneously, the state emphasises the importance of delivering affordable energy for residents and businesses. An integral component of this strategy is “beneficial electrification,” which involves shifting transportation and heating demands to electric-powered technologies fuelled by renewable energy sources like wind and solar power.

However, challenges such as rising electricity prices and the high costs of renewable energy infrastructure—including offshore wind projects, electric vehicles, heat pumps, and transmission upgrades—complicate the path forward. Bill Harwood, who retired as Maine’s Public Advocate in January 2024, noted the difficult balancing act involved: “It’s fair to say we are at a crossroads. We need to continue to subsidise renewables for the foreseeable future, because we need to reduce our dependence on fossil fuels. But we need to be careful and thoughtful. We can’t over-subsidise it, like we did with (solar).”

Despite the notable increases, Maine’s electricity prices remain among the lowest in New England. Dan Burgess, director of the Governor’s Energy Office, explained that rising costs are motivating efforts to transition away from imported fuels toward renewable, homegrown energy sources.

Natural gas prices emerge as a primary cause behind Maine’s steep rise in electricity costs, but the reasons involve a mix of infrastructure limitations and policy decisions. More than half of New England’s electricity generation capacity relies on gas-fired plants, a shift that began roughly 25 years ago as the region phased out older, dirtier oil generation. Plans to expand pipeline capacity to deliver natural gas to the region—including those involving new pipelines through Massachusetts and Maine—have faced opposition from environmental groups and local communities concerned about fossil fuel dependence and climate implications.

This resistance resulted in the abandonment of key pipeline projects, such as the $3 billion Northeast Energy Direct project in 2016. The long-term effects of pipeline constraints have caused natural gas wholesale prices to spike during peak demand, particularly on cold winter days, impacting electricity generation costs. Rich Silkman, an economist and former head of Competitive Energy consulting in Portland, highlighted the disadvantage Maine faces because natural gas must be transported through Boston before reaching Maine, adding to the cost burden.

Additionally, Maine and the New England region rely on expensive liquified natural gas imports during winter months to supplement supplies. In 2023, electricity supply costs reached more than 16 cents per kWh for Central Maine Power and Versant Power/Bangor Hydro customers, representing up to 59 percent of total monthly bills.

Furthermore, the rising costs of storm recovery contribute to electric bills. Maine is the most forested state in the country and its electric utilities have faced increasing expenses from severe weather events that damage infrastructure. Central Maine Power’s storm restoration costs rose dramatically over the past decade, from $32 million in 2013 to $168 million in 2023. To prevent sudden rate shocks, the Maine Public Utilities Commission has approved spreading storm cost recovery across multiple years, though customers will still see added charges—estimated at $20 more per month this summer.

Another significant factor increasing costs is net energy billing (NEB), a policy that compensates renewable energy producers, particularly rooftop solar panel owners, for excess electricity they generate and feed back into the grid. Since legislative changes in 2019 expanded the program to larger projects and increased compensation levels, over 15,000 solar projects in Maine now qualify. Collectively, these systems generate nearly 70 percent of the output of the Seabrook nuclear plant in New Hampshire, exceeding stated energy plan goals.

However, these subsidies purportedly cost electric customers about $220 million annually. For average Central Maine Power residential customers, this translates to roughly an additional $7 a month. Larger businesses face substantially higher charges—in some cases exceeding $20,000 monthly. Barbara Alexander, a consumer energy consultant advising AARP Maine, criticised Maine’s solar policies: “Maine made some mistakes. We could have built all this solar with competitive bids for half the price. We missed out on how to do this in the most cost-effective way.”

Alexander further commented on the challenges that remain: “The bogeyman here in New England is that, except for a couple of volatile years, natural gas is the fuel of choice for generation. So either make gas cheaper or replace it. Neither of those things has happened.”

Legislators are currently debating adjustments to the solar subsidy programme, with proposals on the table to reduce or potentially eliminate the net energy billing scheme, driven mainly by Republican lawmakers. Bill Harwood suggested that the solution lies in placing the responsibility for program oversight and competitive bidding into the hands of experts at the Public Utilities Commission, rather than the legislature managing the complex pricing mechanisms.

The Maine Public Utilities Commission conducts annual assessments of the net energy billing program’s costs and benefits from multiple perspectives: societal, state-specific, and from the ratepayer’s view. The latest 2024 study showed that while societal benefits—including $53 million in greenhouse gas emission reductions—nearly balance the $202 million costs, ratepayers individually see far fewer direct benefits, estimated at $80 million. This indicates that while the program promotes environmental goals, its immediate impact on lowering individual electricity bills remains limited.

Overall, Maine’s experience reveals a multifaceted energy policy landscape shaped by efforts to enhance clean energy, the economic realities of energy markets and infrastructure, storm-related challenges, and the evolving programme designs that affect electricity costs. The Maine Monitor’s reporting underscores these complexities as the state navigates its energy future.

Source: [Noah Wire Services](https://www.noahwire.com)

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