



# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

---

Legislative Document

No. 1936

S.P. 754

In Senate, May 6, 2025

---

**An Act to Provide Greater Equity in and Reduce Costs Related to  
the State's Net Energy Billing Program**

---

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator GROHOSKI of Hancock.  
Cosponsored by Senator: HARRINGTON of York, Representative: WARREN of  
Scarborough.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 35-A MRSA §3209-A, sub-§1, ¶C-1** is enacted to read:

3 C-1. "Nonresident program owner" means an owner of a distributed generation  
4 resource used for net energy billing whose principal place of business is located outside  
5 of the State.

6 **Sec. 2. 35-A MRSA §3209-A, sub-§2**, as enacted by PL 2019, c. 478, Pt. A, §3, is  
7 amended to read:

8 **2. Financial interest required.** The Except as otherwise provided in this section, the  
9 commission shall allow a customer to participate in net energy billing if the customer has  
10 a financial interest in a distributed generation resource or in a generation resource that has  
11 a net energy billing arrangement on the effective date of this section, including facility  
12 ownership, a lease agreement or a power purchase agreement.

13 **Sec. 3. 35-A MRSA §3209-A, sub-§2-A** is enacted to read:

14 **2-A. Net energy billing term length.** Except as provided in subsections 11 and 12, a  
15 person may not participate in net energy billing under this section after the expiration of  
16 the person's net energy billing agreement with the transmission and distribution utility for  
17 the distributed generation resource. An amendment, revision or reissuance of an agreement  
18 made after May 1, 2025 may not include an end date that is later than the agreement that is  
19 subject to the amendment, revision or reissuance.

20 **Sec. 4. 35-A MRSA §3209-A, sub-§5-A** is enacted to read:

21 **5-A. Low-income customers; replacement of terminated customers.** If a customer  
22 with a shared financial interest in a distributed generation resource participating in net  
23 energy billing terminates the customer's participation in the net energy billing arrangement,  
24 the transmission and distribution utility shall replace that customer by enrolling a customer  
25 receiving low-income assistance pursuant to section 3214, subsection 2 who is located in  
26 the same transmission and distribution utility service territory as the terminated customer.  
27 The replacement customer must be enrolled with terms no less financially favorable than  
28 those applicable to the customer whose participation was terminated. The commission  
29 shall adopt rules to implement this subsection and to create a process for the random  
30 selection and automatic enrollment of a customer receiving low-income assistance pursuant  
31 to section 3214, subsection 2 into the distributed generation resource's net energy billing  
32 arrangement. The commission shall allow a customer, when enrolling in a low-income  
33 assistance program pursuant to section 3214, subsection 2, to opt out of automatic  
34 enrollment in a net energy billing arrangement as described in this subsection.  
35 Notwithstanding any provision of this section to the contrary, rules adopted by the  
36 commission pursuant to this subsection are routine technical rules as defined in Title 5,  
37 chapter 375, subchapter 2-A.

38 **Sec. 5. 35-A MRSA §3209-A, sub-§9**, as enacted by PL 2023, c. 411, §2, is  
39 amended to read:

40 **9. Applicability to projects between greater than one megawatt and not more**  
41 **than 2 megawatts.** A distributed generation resource with a nameplate capacity of at least  
42 greater than one megawatt and not more than 2 megawatts may be used for net energy  
43 billing under this section only if the requirements of paragraph A are met.

1 A. On or before December 31, 2024, the proposed distributed generation resource must  
2 reach commercial operation by the date specified in the net energy billing agreement  
3 or by the date specified with an allowable modification to that agreement.

4 An entity proposing the development of a distributed generation resource that does not  
5 meet the requirement of this subsection may petition the commission for a good-cause  
6 exemption due to external delays outside of the entity's control, which the commission may  
7 grant if it finds that without the external delays the entity could reasonably have been  
8 expected to meet the requirement, except that a distributed generation resource that receives  
9 a good-cause exemption may not be used for net energy billing under this section unless it  
10 reaches commercial operation by December 31, 2025.

11 **Sec. 6. 35-A MRSA §3209-A, sub-§10** is enacted to read:

12 **10. Limitation; October 1, 2025.** Except as provided in subsections 11 and 12, a  
13 distributed generation resource may not be used for net energy billing unless the distributed  
14 generation resource reaches commercial operation by the date specified in the net energy  
15 billing agreement entered into by October 1, 2025.

16 An entity proposing the development of a distributed generation resource that does not  
17 meet the requirement of this subsection may petition the commission for a good-cause  
18 exemption due to external delays outside of the entity's control, which the commission may  
19 grant if it finds that without the external delays the entity could reasonably have been  
20 expected to meet the requirement.

21 **Sec. 7. 35-A MRSA §3209-A, sub-§11** is enacted to read:

22 **11. Consumer-owned small project exception; rules.** In accordance with this  
23 subsection, the commission may approve the use of a consumer-owned small project in net  
24 energy billing under this section.

25 A. For the purposes of this subsection, "consumer-owned small project" means a  
26 distributed generation resource with a nameplate capacity of one megawatt or less that  
27 is wholly owned by the customers receiving the net energy billing credits associated  
28 with the output of the distributed generation resource.

29 B. A consumer-owned small project is not subject to the limitations established in  
30 subsection 2-A.

31 C. The commission may adopt rules to implement this subsection. Rules adopted  
32 pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375,  
33 subchapter 2-A.

34 **Sec. 8. 35-A MRSA §3209-A, sub-§12** is enacted to read:

35 **12. Single customer-owned on-site project exception.** Notwithstanding any  
36 provision of this section to the contrary, a distributed generation resource may be used for  
37 net energy billing if the distributed generation resource is owned by a customer and:

38 A. Is used to serve the electric load of that customer only; and

39 B. Meets the criterion that 100% of the net energy billing credits associated with the  
40 output of the distributed generation resource are allocated to the retail account of that  
41 customer.

42 **Sec. 9. 35-A MRSA §3209-A, sub-§13** is enacted to read:

1 **13. Nonresident program owner; compensation.** Notwithstanding any provision of  
2 this section to the contrary, the commission shall establish by rule compensation rates,  
3 starting January 1, 2026, applicable to all customers participating in net energy billing with  
4 distributed generation resources owned by nonresident program owners. The commission  
5 shall revise the compensation rates established by rule as often as it determines necessary  
6 to ensure that the rates are just and reasonable to a nonresident program owner and the  
7 customers of the distributed generation resource by providing that a nonresident program  
8 owner has a reasonable opportunity to earn a fair profit from the operation of the distributed  
9 generation resource while ensuring a cost-to-benefit ratio for ratepayers as close to equal  
10 as possible. Rules adopted pursuant to this subsection are routine technical rules as defined  
11 in Title 5, chapter 375, subchapter 2-A.

12 **Sec. 10. 35-A MRSA §3209-B, sub-§1, ¶E** is enacted to read:

13 E. "Nonresident program owner" has the same meaning as in section 3209-A,  
14 subsection 1, paragraph C-1.

15 **Sec. 11. 35-A MRSA §3209-B, sub-§5, ¶A-2** is enacted to read:

16 A-2. Starting January 1, 2026, the tariff rate for a customer participating in net energy  
17 billing under this section with a distributed generation resource not owned by a  
18 nonresident program owner must equal 9.5¢ and increase by 2.25% on January 1st of  
19 each subsequent year. If the tariff rate established under this paragraph would cause a  
20 project that has reached commercial operation by January 1, 2026 to no longer be  
21 financially viable, the owner of a distributed generation resource may petition the  
22 commission for an adjustment to the tariff rate. The petition must include sufficient  
23 financial information to allow the commission to determine financial viability, and the  
24 commission shall issue a protective order for the contents of the petition in accordance  
25 with section 1311-A to protect the interests of the owner filing the petition. If the  
26 commission determines that the owner cannot reasonably operate the project under the  
27 tariff rate established in accordance with this paragraph, the commission shall  
28 determine a tariff rate for the project that provides the owner a reasonable opportunity  
29 to earn a fair profit from the operation of the project while balancing the financial  
30 interests of all ratepayers.

31 **Sec. 12. 35-A MRSA §3209-B, sub-§5-A** is enacted to read:

32 **5-A. Net energy billing term length.** Notwithstanding any provision of law to the  
33 contrary, a person may not participate in net energy billing under this section after the  
34 expiration of the person's net energy billing agreement with the transmission and  
35 distribution utility for the distributed generation resource. An amendment, revision or  
36 reissuance of an agreement made after May 1, 2025 may not include an end date that is  
37 later than the agreement that is subject to the amendment, revision or reissuance.

38 **Sec. 13. 35-A MRSA §3209-B, sub-§9** is enacted to read:

39 **9. Nonresident program owner; compensation.** Starting January 1, 2026, the  
40 commission shall establish by rule compensation rates applicable to all customers  
41 participating in net energy billing with distributed generation resources owned by  
42 nonresident program owners. The commission shall revise the compensation rates  
43 established by rule as often as it determines necessary to ensure that the rates are just and  
44 reasonable to a nonresident program owner and the customers of the distributed generation

1 resource by providing that a nonresident program owner has a reasonable opportunity to  
2 earn a fair profit from the operation of the distributed generation resource while ensuring a  
3 cost-to-benefit ratio for ratepayers as close to equal as possible. Rules adopted pursuant to  
4 this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter  
5 2-A.

## 6 **SUMMARY**

7 This bill does the following.

8 1. It provides that a person is prohibited from participating in the kilowatt-hour credit  
9 and tariff rate net energy billing programs after the expiration of the person's net energy  
10 billing agreement with the transmission and distribution utility for the distributed  
11 generation resource, with some exceptions.

12 2. It provides that a distributed generation resource that is greater than one megawatt  
13 and not more than 2 megawatts that receives a good-cause exemption from the Public  
14 Utilities Commission must reach commercial operation by December 31, 2025 to  
15 participate in the kilowatt-hour credit net energy billing program and the tariff rate net  
16 energy billing program.

17 3. It creates a limited exception from the kilowatt-hour credit net energy billing  
18 program limitations to allow a distributed generation resource with a nameplate capacity  
19 of one megawatt or less to participate in net energy billing if the distributed generation  
20 resource is wholly owned by the customers receiving the net energy billing credits  
21 associated with the output of the distributed generation resource.

22 4. It allows a distributed generation resource to be used in the kilowatt-hour credit net  
23 energy billing program if the distributed generation resource is owned by the customer and  
24 is used to serve the electric load of that customer only and 100% of the net energy billing  
25 credits associated with the distributed generation resource are allocated to the retail account  
26 of that customer.

27 5. It directs the commission, starting January 1, 2026, to establish by routine technical  
28 rule the compensation rates applicable to all customers participating in net energy billing  
29 with distributed generation resources owned by nonresident program owners.

30 6. It requires a transmission and distribution utility, if a customer with a shared  
31 financial interest in the resource terminates the customer's participation in the net energy  
32 billing arrangement, to replace that customer by enrolling a customer receiving low-income  
33 assistance under the Maine Revised Statutes, Title 35-A, section 3214, subsection 2 who is  
34 located in the same transmission and distribution utility service territory as the terminated  
35 customer.

36 7. Starting January 1, 2026, it establishes that the tariff rate set by the commission by  
37 rule for a customer participating in the tariff rate net energy billing program with a  
38 distributed generation resource not owned by a nonresident program owner must equal 9.5¢  
39 and increase by 2.25% on January 1st of each subsequent year. If the tariff rate established  
40 would cause a project that has reached commercial operation by January 1, 2026 to no  
41 longer be financially viable, the owner of a distributed generation resource may petition  
42 the commission for an adjustment to the tariff rate.