

Hannah Bent
ENGIE
LD 1986

Esteemed members of the EUT Committee:

Good afternoon, my name is Hannah Bent and I am here on behalf of ENGIE to voice support for LD1986. ENGIE is one of the largest independent power producers in the world. We have a portfolio of 4 NEB projects located in Aroostook County, in MPD. All of our projects are currently under construction and on track to be completed by the end of this year. To date, we have invested \$2.3 million dollars in the state.

I am here today to express our support for LD1986, which would build on work done by the DG Stakeholder Working Group to create a viable successor program for the current NEB program. We support the efforts of that group and look forward to continuing to work with all stakeholders to implement a sustainable program for projects on a forward-looking basis.

Undoubtedly, when evaluating LD1986, you will be faced with other competing ideas, like those presented in LD1347, which would have a concerning and largely unknown impact on existing, operational projects in Maine. In particular, we are concerned by language in the bill and associated amendments that (1) arbitrarily limit the number of subscribers associated per project and (2) allow the PUC to change the bill credit rate for existing projects at will.

(1) Instituting a subscriber limit will hurt residential and small commercial subscribers the most, by severely limiting the number and ability of ratepayers to participate and benefit from the program. Limiting projects to 10 subscribers will mean that – effectively – the only beneficiaries of the NEB program will be large businesses and institutions. Large customers are the economic drivers of the state and we fully support them accessing lower cost electricity through the NEB program. However, it is also of vital importance that households and small businesses are likewise able to participate and save money through NEB. This is particularly true for projects in MPD territory, where there is a limited number of large-energy users to anchor a larger project. Residential ratepayers should be able to participate and benefit from NEB or its successor if they so choose, and not be restricted by an additional arbitrary subscriber cap.

(2) Allowing changes to the bill credit rate for a project after it is operational poses a fundamental problem for the financability of a project and presents significant implications for existing contracts that community solar projects have with their subscribers. Compensation rates should be defined at the outset of a capital expenditure, not in the middle of its operating life. Furthermore, we have serious questions about how LD1347 suggests recalculating bill credit rates. Applying cost-of-service principals to private industry is much different (and quite unusual) from evaluating the costs of regulated monopoly utilities.

Again, it is not clear how these limitations would apply retroactively to operational projects and that is our underlying, primary concern. We have worked through the various stakeholder processes over the last three years to reform the NEB program. Each time, we have voiced the same primary concern – all program changes must be forward looking. LD1986 will set up a framework to work with stakeholders through questions like this one. We urge the Committee to tackle program implementation questions through this process, rather than pass competing bills with unknown implications for existing investment.

Thank you.

Hannah Bent
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