February 20, 2025

Senator Mark Lawrence
Representative Melanie Sachs
Joint Committee on Energy, Utilities, and Technology
c/o Legislative Information Office
100 State House Station
Augusta, Maine 04333

Opposition to LD 359, "An Act to Prohibit Net Energy Billing by Certain Customers"

Senator Lawrence, Representative Sachs, and Members of the Joint Standing Committee on Energy, Utilities, and Technology—

Like other Net Energy Billing legislation recently introduced LD 359 would undermine those who have made investments in renewable resources based on policy in place when their decisions were made. This bill would limit Net Energy Billing programs to a single account and only if the distributed generation resource resource was behind the meter at that location. While this may offer some protection for roof top solar installations and some small commercial installations with a single meter, it would exclude communities like Limestone with projects serving multiple accounts at different locations. This is an unreasonable solution when the State of Maine should be moving forward with respect to renewable energy that is produced locally reducing reliance on foreign energy imports.

Reductions to Net Energy Billing programs make no sense especially on the energy supply side where standard offer providers enjoy a near total monopoly. Deregulation was supposed to stimulate completion on the supply of electric power but that has not happened. Renewable energy does offer consumers another choice. Admittedly the transmission and distribution companies are suffering a revenue loss that affects the profit margins for their shareholders, but what if an additional revenue stream could be offered?

One solution to this problem is to take a step back from deregulation and consider allowing transmission and distribution companies to own a limited portion of distribution generation assets like wind, solar, battery storage and hydroelectric plants. When deregulation was first implemented, generation assets are permitted to be owned by investor-owned utilities under 35A part3 Chapter 3204-6
"***6. Generation assets permitted.*** *On or after March 1, 2000, notwithstanding any other provision in this chapter, the commission may allow an investor-owned transmission and distribution utility to own, have a financial interest in or otherwise control generation and generation-related assets to the extent that the commission finds that ownership, interest or control is necessary for the utility to perform its obligations as a transmission and distribution utility in an efficient*

manner." Legislative clarification could be offered that would encourage the PUC to recognize that ownership of renewable distributed generation assets by investor-owned transmission and distribution utilities would not only increase operational efficiencies of Maine's electric grid but would also help offset Transmission and Distribution revenue losses associated with the expanded use of Net Energy Billing programs.

This approach would provide three separate benefits:

1.) Enhanced competition on the supply side of electric power.

2.) Additional revenue streams to help offset the cost of maintaining the physical grid infrastructure with less burden on ratepayers.

3.) Increased acceptance of distributed generation assets by transmission and distribution companies as well as improved grid efficiency and resilience by giving these companies more control over these assets.

Maine's electricity system is complex. That means that the solutions to solve the challenges it presents must be complex, as well. These solutions should focus more on the communities, citizens and electric ratepayers of Maine and less on the benefit to out of state developers and investors. While some may desire to simply repeal programs and sections of law, such actions will devastate communities like Limestone that have chosen to self-generate for the purposes of increased resiliency for our ratepayers and our community. We urge you to reject LD 359.

Thank you for considering our perspective. Please do not hesitate to contact me with any questions.

Sincerely,

Chuck Kelley
Chairman, Limestone Water & Sewer District
Board of Trustees