



SIERRA CLUB

MAINE CHAPTER

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To: Joint Committee on Energy, Utilities and Technology
From: David von Seggern, Sierra Club Maine Chapter Volunteer
Date: February 6, 2025
Re: **Testimony in Opposition to L.D. 32** *“An Act to Repeal the Laws Regarding Net Energy Billing”* **AND L.D. 257** *“An Act to Eliminate the Practice of Net Energy Billing”* **AND L.D. 450** *“An Act to Lower Electricity Costs by Repealing the Laws Governing Net Energy Billing”*:

Senator Lawrence, Representative Sachs, and members of the Joint Committee on Energy, Utilities, and Technology Committee,

I am testifying on behalf of Sierra Club Maine, representing over 22,000 supporters and members statewide. Founded in 1892, Sierra Club is one of our nation’s oldest and largest environmental organizations. We work diligently to amplify the power of our 3.8 million members and supporters nation-wide. We urge you to oppose efforts to repeal Maine’s net energy billing program (“NEB” or “the Program”) , including L.D. 32, L.D. 257, and L.D. 450, and encourage lawmakers to explore reforms to the program that equitably distribute program costs while supporting distributed renewable energy generation in our communities.

The benefits of net energy billing are broad and diverse. These benefits include: grid strengthening through upgrades paid for by solar project owners, increased access to renewable energy savings for low-income individuals, reduced peak demand and transmission costs, decreased electricity loss thanks to distributed generation, reduced greenhouse gas emissions and improved air quality, and reduced dependence on fossil fuels. By supporting a renewable energy economy in Maine, we’re also creating good-paying jobs here in Maine.

Annual reports on Maine’s NEB program from Sustainable Energy Advantage, LLC that were contracted for by the State, and other analyses tell us much of what we need to know about the program, that any benefits clearly outweigh any costs. In their 2024 report, they explain that for each dollar spent on the program, the ratepayer receives \$1.38 in benefits. In 2024, the net benefits from the program totaled \$28 million. While it is true that NEB creates “lost revenue” for our utilities that must be recovered from the rest of our ratepayers, it is clear that the benefits of the program continuously outweigh its costs.

While the nature of many of NEB’s benefits are indirect (i.e. do not generate revenue that can immediately reduce ratepayer costs), these benefits are immensely important. For example, distributed renewable generation suppresses energy costs regionally. Most likely, without NEB, Maine ratepayers would be facing even higher electricity costs fueled by expensive fossil fuels

than what we see today. The transmission and distribution benefits from the Program are similar. Distributed generation allows us to avoid costly investments in T&D infrastructure and reduces line losses from transmitting power across great distances. Lastly, greenhouse gas emissions reductions that result from incentivizing distributed generation carry substantial value that cannot be monetized to the benefit of the ratepayer. But we cannot afford to look past these “indirect” benefits, we must embrace them, and think of the best ways to shift programs like NEB that incentivize an energy system of the future—decentralized, resilient, renewable—to spread ratepayer impacts across the ratepayers most equitably.

There is no reason at all to eliminate NEB in Maine. In fact, we must continue to support all programs that boost distributed renewable energy generation. As solar uptake continues to increase, we ask the Committee to consider ratemaking reform that equitably distributes all direct costs of our clean energy transition across the rate base while insulating the vulnerable ratepayers from any adverse impacts. We are especially concerned about any adjustments to the law that could disincentivize the development of small, community-based solar energy farms of less than 1 MW, whereby local ratepayers become local beneficiaries of income generated through NEB arrangements.

The reality is that Republican lawmakers across the country are working hard to scapegoat important renewable energy programs to distract from the real crisis facing our ratepayers—expensive fossil fuels. The costs of these programs are marginal compared to the cost of a grid that is overly reliant on volatile fossil fuels. We encourage the Committee to remember January of 2023, when Mainers living in CMP’s service area saw their supply rates increase by nearly 50% per kWh, due exclusively to instability in the natural gas market caused by the war in Ukraine. Homegrown distributed renewable energy does not come with the same volatility.

Importantly, this Committee also oversaw the discussion, and eventual passage, of L.D. 1986, “An Act Relating to Net Energy Billing and Distributed Solar and Energy Storage Systems.” This bill sought to limit overall eligibility for the Program to address some of the concerns brought to the committee today, and the impacts of its passage have not yet materialized. It makes little sense to amend Maine’s net energy billing law yet again when we have not yet seen the full results of the most recent amendments and the options for further improvements have not been explored.

We ask the committee to oppose L.D. 32, L.D. 257, and L.D. 450 and encourage continued exploration of how the Program can be adjusted to most equitably distribute the costs of distributed generation uptake. It is through comprehensive rate reform, not eliminating crucial renewable energy incentives, that we will truly protect ratepayers and stabilize energy costs.

David von Seggern
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