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February 24, 2025

Committee on Energy, Utilities, and Technology
c/o Office of Fiscal and Program Review
5 State House Station
Augusta, ME 04333

RE: Testimony in Opposition to L.D. 32, An Act to Repeal the Laws Regarding Net Energy Billing, L.D. 257, An Act to Eliminate the Practice of Net Energy Billing, L.D. 450, An Act to Lower Electricity Costs by Repealing the Laws Governing Net Energy Billing, and L.D. 515, An Act to Reverse Recent Changes Made to the Law Governing Net Energy Billing and Distributed Generation

Dear Senator Lawrence, Representative Sachs, and other members of the Committee,

My name is Steve Clemmer, Director of Energy Research in the Union of Concerned Scientists (UCS) Climate and Energy Program. UCS is the nation's leading science based non-profit organization with more than a half a million supporters, including more than 2,500 in Maine. I offer this testimony on behalf of UCS in opposition to L.D. 32, L.D. 257, L.D. 450, and L.D. 515.

Net energy billing has been a popular, successful, and cost-effective policy for deploying clean energy that is delivering significant benefits to Maine's economy and energy security. It has lowered energy bills for thousands of Maine households, businesses, and municipalities. It has helped lower and stabilize energy prices for all consumers by reducing our over-reliance on imported fossil fuels. In addition, it has made Maine a national leader in the deployment of distributed solar, resulting in hundreds of millions of dollars of investment in local communities and creating hundreds of jobs in a rapidly growing local and global industry.¹

Net energy billing is also playing an important role in helping Maine meet its climate and clean energy requirements by reducing emissions from imported oil and gas. More on-site and local generation from solar and other clean, distributed renewable resources and energy storage can also reduce power outages and make the electricity grid more reliable and resilient to the growing impacts of climate change.

Maine's net energy billing program is cost-effective. A comprehensive analysis completed for the Maine Public Utilities Commission (PUC) in 2024 found that the program generated \$160 million in benefits in 2023, exceeding the \$130 million in program costs (a benefit-cost ratio of 1.23).² These benefits include, but are not limited to, avoided transmission and distribution investments, lower energy prices, improved reliability by reducing peak loads, emission reductions, and avoided environmental compliance costs. And these benefits accrue to all customers, not just the customers who are investing in solar and other renewable energy technologies.

¹ Maine Governor's Energy Office. *2023 Maine Clean Energy Industry Report*. Prepared by [bw] Research Partnership. Online at: <https://www.maine.gov/energy/sites/maine.gov.energy/files/2024-05/2023%20MECEIR%20Report%20Final.pdf>. Maine Governor's Energy Office. 2021. *Renewable Energy Goals Market Assessment*. Prepared by Energy and Environmental Economics and Applied Economics Clinic. Online at: <https://www.maine.gov/energy/studies-reports-working-groups/current-studies-working-groups/renewable-energy-market-assessment>.

² Sustainable Energy Advantage. 2024. *Analysis of 2023 Net Benefits of Net Energy Billing Program*. Prepared for the Maine Public Utilities Commission. Online at: https://www.maine.gov/mpuc/sites/maine.gov.mpuc/files/inline-files/NEB-Y2023_CBA-LD%201986.pdf

The two main drivers for recent electricity cost increases are Maine's and New England's over-dependence on imported fossil gas for more than half of the region's electricity and the increase in climate change-fueled extreme weather events. High gas prices, due in large part to the Russian war in Ukraine and decisions by the US and other countries to ban Russian oil and gas imports, increased average residential electricity bills in Maine by \$60 per month between 2021 and 2023.³ In addition, CMP storm recovery costs totaling \$220 million for three storms in 2024 added \$10 per month to residential bills.⁴

By contrast, the benefits of Maine's net energy billing program exceed the estimated program cost of \$7 per month or a 4 percent increase in an average residential bill. And since the legislature expanded the program in 2019, it has made targeted adjustments on at least three different occasions to wind down the tariff program and improve the overall benefit-cost ratio. The remaining kilowatt-hour program generates an estimated \$1.92 in benefits for every dollar invested, a higher benefit cost ratio than when looking at all the NEB programs together.

Net energy billing is a popular and successful policy. More than 113,000 Maine households, businesses, municipalities, school districts, and non-profits all over the state are currently participating in the rooftop and community solar programs and benefiting from lower energy bills.⁵ Other states have also recognized the importance this policy plays as part of a portfolio of complementary clean energy policies, with more than 40 states and the District of Columbia currently having net energy billing or net metering policies in place.⁶

Eliminating net energy billing and Maine's rooftop and community solar programs, as proposed in L.D. 32, L.D. 257, L.D. 450, and L.D. 515, would have major negative consequences for Maine's economy and environment. It would give Maine households, businesses, and municipalities less freedom and control to lower their energy bills. It would stifle investment and job creation in a rapidly growing clean energy industry. And it would make it more difficult to achieve the state's climate and clean energy goals.

It would also take away an important tool for low-income households to significantly lower their energy burden, which is among the highest in the country. Decreasing energy burdens while transitioning to clean energy is a key, overarching recommendation in the state's recently released climate action plan.⁷ When combined with the \$62 million in federal funding Maine has received to launch a Solar for All program--along with other state and federal incentives and loan programs to invest in energy efficiency, weatherization, and electrification through Efficiency Maine--net energy billing provides an important policy for low- and moderate-income households to significantly lower their energy costs.

Thank you for the opportunity to testify in opposition to L.D. 32, L.D. 257, L.D. 450, and L.D. 515.

³ The average CMP residential customer experienced a \$30 per month increase for standard offer service in 2021-2022 and an additional \$32 per month in 2022-2023 due to higher gas prices on the regional market.

<https://www.maine.gov/tools/whatsnew/index.php?topic=puc-pressreleases&id=6040934&v=article088>;

<https://www.maine.gov/tools/whatsnew/index.php?topic=puc-pressreleases&id=9617342&v=article088>

⁴ <https://www.pressherald.com/2024/06/12/cmp-bills-to-go-up-this-summer-after-regulators-approve-rate-hikes-tied-to-storm-costs/>

⁵ <https://www.maine.gov/mpuc/sites/maine.gov/mpuc/files/inline-files/NEB-SEA%20Report%20-Final.pdf>.

⁶ <https://programs.dsireusa.org/system/program>

⁷ Maine Climate Council. 2024. *Maine Won't Wait: A Four-Year Plan for Climate Action*. Online at:

https://www.maine.gov/climateplan/sites/maine.gov.climateplan/files/2024-11/MWW_2024_Book_112124.pdf, at 79.