



Testimony to the Joint Standing Committee on Energy, Utilities and Technology

Opposing:

**LD 32, An Act to Repeal the Laws Regarding Net Energy Billing
LD 257, An Act to Eliminate the Practice of Net Energy Billing
L.D. 359, An Act to Prohibit Net Energy Billing by Certain Customers
LD 450, An Act to Lower Electricity Costs by Repealing the Laws Governing Net Energy Billing
L.D. 515, An Act to Reverse Recent Changes Made to the Law Governing Net Energy Billing and Distributed Generation**

Submitted by:

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Dear Senator Lawrence, Representative Sachs and Members of the Energy, Utilities and Technology Committee:

My name is Amy Winston. I live in Edgecomb, and testifying today in strong **opposition to LDs 32, 257, 359, 450 and 515**. In preparing this testimony, I worked with my colleague, Emily Wood, who oversees CEI's energy and climate business development work. Emily lives in Bath.

[Coastal Enterprises, Inc. \(CEI\)](#) is a community development financial institution (CDFI) founded in 1977 with a mission to build a just and vibrant future for people and communities in Maine and rural regions. We do this by integrating finance, business expertise and policy solutions. Over the past 47 years, the CEI family of organizations has invested \$1.75 billion in 3,488 businesses and projects that are changing Maine's employment landscape and creating positive economic ripple effects in rural communities throughout Maine.

[CEI has a low-interest solar loan](#) that *enables business owners to decarbonize their production and operations* while building equity in their company and insulating it from the escalating price of fossil fuels. Since launching this product in the fall of 2022, we have received roughly 100 inquiries from a broad range of businesses – from farm and agriculture related businesses to accounting firms, restaurants, manufacturers, landscaping companies, mom-and-pop shops, and more.

CEI's solar portfolio consists of **74 loans** that generate **257 million kWhs** annually of clean energy. Combined, these loans represent **\$28MM** in direct financing and an additional **\$47 MM leveraged**. The majority of these projects are located in Maine and benefit Maine businesses and Maine communities. These deals make it possible for small business owners to ***decarbonize their business while saving money***, as the ***energy savings are higher than their monthly loan payments***. This is only possible through net energy billing, where business owners can offset the extremely high upfront capital cost of solar by receiving kWh credits on their billing statement. This allows them to take on debt where the ***monthly loan payments are less than what their utility bill used to cost***.

As you know, LDs 32, 257 and 515 propose to fully repeal the laws that enable Maine's Public Utilities Commission to adopt rules governing net energy billing (NEB) and that direct the commission to create a



net metering program for commercial and institutional consumers of investor-owned transmission and distribution utilities (T&Ds). If passed, LDs 32 and 257 will prohibit the commission from adopting rules that require T&Ds to allow customers to participate in net metering. LD 257 will also repeal related laws providing real estate and personal property tax exemptions for solar energy equipment that produces power for off-site consumers. LD 359 (as amended) is a throwback, fundamentally changing the terms on which projects have been built and financed; and LD 515 effectively repeals NEB by reverting to pre-2017 rules.

There is broad agreement among stakeholders that the program needs to be improved. It has been adjusted several times to alleviate the burden on ratepayers. CEI participated in the GEO- and PUC-convened Distributed Generation Stakeholder Group specifically for the purpose of developing an equitable, affordable “NEB 2.0” successor program to optimize benefits and reduce the costs to ratepayers and small businesses. CEI provided both an equity lens and lender’s perspective to this process as we work with businesses in lower income and rural communities and with underrepresented borrowers, who may fail to qualify for conventional financing because they lack credit or collateral. We are a mission driven investor committed to bringing solar energy and energy efficiency products to a wider audience so that all ratepayers may benefit from these programs and transition away from expensive fossil fuels.

Net energy billing has fostered development of solar energy throughout Maine. NEB benefits entities generating solar electricity – households, businesses, and other institutions – as well as the electrical distribution grid. When NEB was implemented, it was understood that this would need to be an iterative policy process. Solar construction is not keeping pace to meet Maine’s climate goals. NEB is foundational to clean energy policy and a clean energy economy. **The focus today needs to be on promoting equitable, affordable, and appropriately sited distributed generation.**

NEB has produced broad participation in renewable energy, reducing carbon pollution and dependence on fossil fuels. It is part of Maine’s climate strategy and a pathway to affordable electric and a clean energy economy. **To abruptly repeal or radically alter this policy and cancel net metering will negatively affect business owners who have invested in and financed distributed generation based on this policy.** NEB benefits homes and businesses, and lowers energy costs, because of our state’s investment in renewable energy. By repealing net metering, these bills will retroactively revoke the benefits in contracts that have already been made *based on existing Maine law*.

Scapegoating solar will only make access to clean energy more inaccessible and unaffordable to many residents and business owners in Maine. Maine’s net energy billing program has not raised utility rates, as many opponents have argued; in fact, it’s the fluctuating cost of natural gas and increased expenses associated with storm recovery that are largely responsible for these rate increases. **Businesses that we have worked with who are enrolled in community solar programs or have installed solar themselves have seen a decrease in their utility costs and a stabilization overall on these rates.** In fact, a 2023 report by the PUC, found that for every dollar spent on the net energy billing program, ratepayers received \$1.29 in benefits.

Instead of penalizing small businesses that want to reduce their energy costs by investing in solar, it is time for the state to adopt the consensus recommendations that the DG stakeholder group worked so painstakingly on. Thank you for your commitment to an energy policy that benefits all Mainers and for the opportunity to testify on these bills. We urge you to vote **Ought-Not-to-Pass** on each of these LDs.