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Testimony in Opposition LD 32 An Act to Repeal the Laws Regarding Net Energy Billing

To the Joint Standing Committee on Energy, Utilities, and Technology

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Senator Lawrence, Representative Sachs, and other distinguished members of the joint Standing Committee on Energy, Utilities, and Technology: As a Maine resident, a co-owner of a community solar farm, and the author of numerous articles on solar energy and net metering in *US News & World Report* and other venues, I write to oppose LD 32, “An Act to Repeal the Laws Regarding Net Energy Billing.”

On the law, LD 32 is likely contrary to federal law. Sec. 8 of the bill seeks to enact 35-A MRSA §3209-F (Net energy billing requirement prohibited), stating: “The commission may not by rule or order require a transmission and distribution utility to allow a customer to participate in net energy billing.”

Yet the Energy Policy Act of 2005 (Pub. L. 109–58), passed with bipartisan support and signed by Republican President George W. Bush, amends the Public Utilities Regulatory Policies Act (PURPA) of 1978 by requiring that “Each electric utility shall make available upon request net metering service to any electric consumer that the electric utility serves.” (Sec. 1251:11) Net metering, in whatever form it may take in each state, has been a federal requirement for two decades. Even states with free-market electricity markets like Texas’s require their public utilities to have net metering programs. Because it’s United States law.

On the merits, Sec. 14 of LD 32 seeks to amend 36 MRSA §655, sub-§1, ¶V to read: “For property tax years beginning on or after April 1, 2025, solar energy equipment that generates heat or electricity if all of the energy is used on the site where the property is located.”

In effect, this change seeks to eliminate Maine’s Renewable Energy Investment Exemption to solar customers participating in net metering programs, where some of their energy is exported to the grid. Yet nationwide and in Maine, nearly 100 percent of all solar installations are grid-tied and export some of their electricity to the grid—even if they receive only minimal compensation for that exported energy. Thus this draconian measure will raise taxes for nearly all Maine solar owners. Across the country, property tax exemptions for renewable energy have bipartisan support. States like Florida, Indiana, Kansas, Louisiana, and Texas support solar property tax exemptions, as do states like Connecticut, Massachusetts, New Jersey, and Vermont. Removing such an exemption would place a severe tax penalty on residential solar owners, crippling the solar industry in Maine and leading to a loss of jobs and income. According to the real estate platform Zillow, a solar installation adds on average 4.1% to the sales value of a home. With the median home in Maine valued at \$391,297 (again, according to Zillow), adding solar to a home increases the property’s tax liability by over \$16,000. Thus LD 450, would be

better titled: "An Act to Increase Property Taxes by Repealing the Laws Governing Net Energy Billing."
Increasing the tax burden of Maine homeowners during a period of high inflation and already rising property tax rates is bad for Maine's economy and bad for anyone seeking to return to elected office.