CCSA

March 26, 2025

Senator Mark Lawrence, Chair
Representative Melanie Sachs, Chair
Committee on Energy, Utilities, and Technology
100 State House Station
Augusta, ME 04333

Re: Testimony Neither for Nor Against LD 801

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

Please consider this testimony neither for nor against LD 801. The Coalition for Community Solar Access (CCSA) is a national coalition of businesses and non-profits working to expand customer choice and access to solar for all American households and businesses through community solar. Our mission is to empower every American energy consumer with the option to choose local, clean, and affordable solar.

LD 801 would make kilowatt-hour credits under the Net Energy Billing (NEB) program non-expiring. Under current law, kWh credits from an NEB project offset on a 1-1 basis the participating customer's kWh usage. If in a given month the credits the customer receives from their system (rooftop or community) exceed their usage, the excess credits go into a "bank" and can then be applied to future bills on a first in, first out basis. If the customer does not have enough usage on their bill to apply a banked credit balance to, the credits will expire after a 12 month period. Expiring credits is not a good customer experience. In many cases, community solar customers have already paid for those credits, but when they expire, the customer gets no value from them. CCSA believes that customers should have the right to utilize the bill credits they have paid for to offset their electric bills. However, we do not believe removing the expiration period is the only or best way to achieve that goal.

We recognize that the original intent of setting a one year expiration on credits was to disincentivize intentional over-sizing of community solar subscriptions or rooftop systems. However, customers may face a backlog of credits for many reasons other than intentional gaming or inappropriate sizing, such as a temporary reduction in energy use; extended or seasonal travel; a permanent reduction in energy use where the customer does not notify their community solar provider until well after the change; or even variation in weather that results in greater than average solar production and/or less energy use by the customer.

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The best way to solve the problem of misalignment between the customer's usage and community solar subscription size is to facilitate better data sharing between the utilities and the community solar providers. Solar providers do not know if the customer experiences a change in their energy consumption patterns, or opts into a different rate schedule, unless that customer thinks to notify the community solar provider. If the provider can observe those changes through data sharing, they can better work with their subscribers to adjust the community solar offering to fit their needs. Even if data provided to the community solar provider only includes the amount of bill credits the utility applies to the customer's current bill, the community solar provider can then bill the customer based only on the credits they are actually able to use, when they are used. Customers would therefore not pay for any credits that ultimately expire. This change would shift the risk of over-sizing from the solar customers to the project sponsors, who would not be paid for any generation corresponding to expired bill credits. Well designed consolidated billing, where the customer pays for a community solar subscription through the electric utility bill, would also achieve these goals.

While we believe better data sharing will address most problems around expiring bill credits, there are additional tools to protect customers and ensure right-sizing. For example, if credits were given a two year shelf life instead of one year, the additional time would provide customers an opportunity to use accumulated credits while avoiding any incentive to over-allocate the customer. In many other community solar programs, the customer's subscription size at enrollment or the amount of credits that can rollover is capped based on the customer's historical usage. If the Legislature were to adopt a cap, we recommend it be sufficiently flexible to accommodate increases in energy use by the customer resulting from adoption of heat pumps or EVs and to ensure the customer can maximize the amount of their bill they can offset.

Finally, we acknowledge the impact this bill would have on the Low Income Assistance Program (LIAP) funding. It is not at all our intent to take away much needed dollars for that program. However, we think it would be much better to fully fund the LIAP program through stable, known and knowable sources, rather than counting on expiring NEB credits, which by their very nature are volatile and unpredictable, and ideally, minimal.

We look forward to continued work on these issues with the Committee and other stakeholders. Thank you for your consideration.

Sincerely,

/s/ Kate Daniel
Northeast Regional Director
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