



Testimony Neither for Nor Against LD 839
An Act to Lower Consumer Electricity Costs by Prohibiting the Recovery Through Rates
of Costs Attributable to Net Energy Billing
February 6, 2025

Senator Lawrence, Representative Sachs, and members of the committee, I am James Cote and am submitting this testimony neither for nor against LD 839 on behalf of Versant Power.

As we have stated previously this year, Versant is committed to working with the Committee and all relevant stakeholders on solutions that can reduce the significant costs of the Net Energy Billing program for Maine people and businesses.

We have offered more detailed considerations – such as locational and grid dynamics of DERs, customer billing, and the overall status of solar penetration levels in our service territory – and those comments are attached here for your reference. In addition, Versant emphasizes its continued willingness to be constructive participants in any future discussions designed to improve the NEB program or its successor.

Regarding LD 839, Versant appreciates the proposal to identify alternative funding sources – outside customer bills – to pay for the costs associated with the NEB program. Such a funding mechanism would broaden the population sharing the costs of the NEB program beyond only the customers of two of the state’s transmission and distribution utilities.

We also, however, believe it is critical that the NEB cost recovery mechanism is predictable, and that utilities be consistently and adequately reimbursed for the costs they incur to facilitate this state policy program. Such recovery is important to ensure utilities have the resources necessary to maintain and operate the electric grid for all customers.

The current system, whereby utilities recover NEB program costs via “stranded cost” mechanisms has accomplished this goal. Should the committee choose to change the underlying funding mechanism for the NEB program, we urge you to do so in a way that facilitates the efficient and regular recovery of these costs and eliminates risk and uncertainty to the greatest possible extent.

Lastly, we are aware that discussions amongst stakeholders regarding potential reforms to the NEB program are beginning to take shape. We would be happy to participate in such discussions going forward and to provide any data that may be helpful to the Committee as it evaluates various potential proposals.

Thank you for your consideration and we would be pleased to answer questions or provide more information for the work session upon your request.