

Testimony of Kenneth A. Colburn
in Opposition to
LD 32: An Act to Repeal the Laws Regarding Net Energy Billing,
LD 257: An Act to Eliminate the Practice of Net Energy Billing,
LD 450: An Act to Lower Electricity Costs by Repealing the Laws Governing
Net Energy Billing, and
LD 515: An Act to Reverse Recent Changes Made to the Law Governing
Net Energy Billing and Distributed Generation
April 10, 2025

Senator Lawrence, Representative Sachs, and honorable members of the Energy, Utilities, and Technology Committee:

My name is Kenneth A. Colburn, and I thank you for the opportunity to testify on this proposed legislation. I co-chair the Energy Working Group of the Maine Climate Council and serve on the Board of Efficiency Maine Trust. For the two decades prior to retiring in 2020, my work focused on advising policymakers – state and federal legislators and regulators – on energy and environmental issues. Today I testify in **opposition** to **LD 32: An Act to Repeal the Laws Regarding Net Energy Billing**; **LD 257: An Act to Eliminate the Practice of Net Energy Billing**; **LD 450: An Act to Lower Electricity Costs by Repealing the Laws Governing Net Energy Billing**; and **LD 515: An Act to Reverse Recent Changes Made to the Law Governing Net Energy Billing and Distributed Generation**.

Simply put, these bills are devoid of merit. They would retard, and quite possibly diminish, the development of solar generation in Maine, thereby reducing good-paying technology jobs in the state. They would increase electricity demand on New England’s regional grid, which is quite price-sensitive, and thereby increase electricity costs for all Maine ratepayers. This in turn would send more of Mainers’ money to out-of-state resources instead of keeping it at home in our local economy. Local energy sources can also enhance energy reliability, resiliency, and security, as well as delay expensive grid upgrades or avoid them entirely. Clean energy improves public health and the environment too, and our environment undergirds much of Maine’s economy (tourism, forestry, agriculture, etc.). Solar generation also helps address climate change, even as Maine starts to experience its impacts directly especially through coastal storms and river flooding.

Perhaps most important, retarding the development and integration of distributed energy resources (DERs) like solar power positions Maine as a backward-looking rather than future-

oriented jurisdiction at the very time the electric power sector is transitioning from a centralized, one-way structure to a decentralized, two-way interconnected grid. The proposed legislation would leave Maine's economy bringing up the rear as the electric power sector transforms in the same manner, and for the same reasons (i.e., advancing technologies), as telephony and computing have been transformed.

Advocates of these legislative proposals often cite the costs imposed by net energy billing as a principal concern. They do so, however, absent any comprehensive benefit-cost analysis, such as the one conducted by the Maine Public Utilities Commission, *Maine Distributed Solar Valuation Study*, published April 14, 2015, which showed that the benefits solar power provides to Maine were more than double its compensation.¹

Advocates of these legislative proposals also regularly ignore – or simply do not recognize – a greater risk that their proposals could create for low- and middle-income Mainers. Technology advances in computing and telephony fundamentally altered these industries by enabling users to gain independence from centralized (and often monopolistic) services. These advances led to the demise of several major computer companies and Bell operating companies. The same technological forces – increasing capabilities and declining prices for solar energy and battery storage – are enabling today's electricity users to similarly consider independence from electric utilities. Ill-advised revisions to Maine's net energy billing policies could motivate existing and new ratepayers to go "off-grid" entirely, "cutting the cord" just as they have done regarding centralized data processing, centralized telephone service, and increasingly, cable television. If the Legislature's policy changes spur such grid defection, the cost to ratepayers left holding the bag for utility expenses will be quite sobering.

I also recognize, however, that Maine's net energy billing policy warrants measured revision. Indeed, since the initiation of net energy billing in Maine, this Legislature has regularly modified it to better serve Maine's residents and businesses. I believe that Maine's net energy billing customers, myself included, should provide some volumetric compensation to the distribution grid for the service it provides in enabling excess power to be sent back to the grid for other Mainers to consume. Conversely, however, net energy billing customers should be appropriately compensated any power they export to the grid. Electric power prices are very sensitive to daily and seasonal variation. ISO-NE wholesale power costs typically average around \$35/MWh (~3.5¢/kWh) but have often been 3-5 times greater. Solar generation typically provides power to the grid when it is relatively valuable (e.g., during the day rather than at night, during summer heat waves, etc.). Accordingly, its compensation should reflect its

¹ Available at <https://mpuc-cms.maine.gov/CQM.Public.WebUI/Common/ViewDoc.aspx?DocRefId={636B3E73-3BD7-4917-9A75-B308044E0A46}&DocExt=pdf&DocName={636B3E73-3BD7-4917-9A75-B308044E0A46}.pdf>

actual seasonal time-of-day value – not some arbitrary average. In addition, its compensation should reflect **all** the value that local solar energy provides as compared to remote generating sources, including demand reduction-induced price lowering effects, lower line losses, less transmission expense, as well as positive health, environmental, and climate effects.

In short then, “**mend it, don’t end it**” represents good advice for further appropriate revisions Maine’s net energy billing policy. Because the referenced legislative proposals fail to adhere to this prudent approach, I urge the Committee to vote **against** their adoption.

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