

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

From: Dr. Sharon Klein, Bangor, Maine

Re: Arguments against LD 1321, An Act to Reform Net Energy Billing by Establishing Limitations on the Programs' Duration and Compensation

Senator Lawrence, Representative Sachs, and members of the Energy, Utilities, and Technology Committee, my name is Sharon Klein, and I live in Bangor, Maine. I am submitting this testimony to oppose LD 1321.

Since 2015, I have been studying and teaching about the technical, economic, environmental, and social aspects of sustainability as they relate to community solar in my role as an Associate Professor in the School of Economics at the University of Maine in Orono. Please see my 2020 publication on the economics of different community solar approaches in Maine and Illinois from the perspectives of different actors in the projects: *A financial benefit-cost analysis of different community solar approaches in the Northeastern US*, published in *Solar Energy*, <https://doi.org/10.1016/j.solener.2020.11.031>. Also, please see my 2021 presentation [Is Community Solar Good for Communities?](#). Both of these works highlight the potential for long-term economic benefits with community-led and community-owned solar arrays.

In my current work, I use a community-based participatory research approach to co-develop research with rural Maine communities and Wabanaki Nations to understand their preferences for alternative energy options (including but not limited to solar) and to understand the support they need to achieve their own energy goals. The communities I work with want solar. Community solar ownership can be a long-term economic benefit that has the potential to create intergenerational wealth in communities. The communities I work with do not want people from outside their communities telling them what they can and cannot do. They want to benefit directly from the energy transition that is underway, on their terms. LD 1321 will limit their ability to access the benefits of community-owned solar.

I am well aware of the issues the state has been facing in recent years regarding solar energy. I am currently in my 4th year serving on the Electric Ratepayer Council. I was a member of the Buildings, Infrastructure & Housing Working Group of the Maine Climate Council in 2024. In 2021-2022, I served on the Distributed Generation Working Group. There are issues with the way net energy billing (NEB) rapidly expanded in 2020. However, these issues stem from the way the tariff and NEB programs rolled out at the same time, providing large developers access to NEB without maintaining focus on community ownership or the need for energy storage to accommodate Maine's aging electric grid. LD 1321 does not address these issues. It unnecessarily limits the power capacity, number of subscribers, and scope of the NEB program.

Community-owned solar can provide economic benefits to the community that owns it and also to other Maine communities by adding distributed, behind-the-meter electricity generation to

the grid. If this generation is planned carefully, and especially in situations where it is coupled with energy storage, it can reduce the need for expensive new transmission lines associated with utility-scale generators. Limiting the power capacity to 20 kW, number of people to 10, and focusing only on the energy supply credit puts Maine communities and Wabanaki Nations at a stark disadvantage in the energy transition. It means they cannot access economies of scale in pricing or select an appropriate location or size for their solar array based on their needs and assets, and they will not be compensated fairly for the social benefits their solar arrays provide. It will essentially mean community-owned solar is once again only available to the wealthiest Mainers. Most community-scale arrays are on the order of 500 kW to 2 MW. Rather than limiting the power capacity to 20 kW and number of people to 10, the legislation could limit the power capacity to 2 or 3 MW and require community decision-making power or a certain percentage of community ownership. It could also incentivize projects that include energy storage.

We have the opportunity now to revise NEB to strengthen community ownership of solar. LD 1321 does not do this. It weakens the ability of Maine communities and Wabanaki Nations to access the benefits of the energy transition away from fossil fuels.

Thank you for your time and consideration. I hope you will oppose LD 1321 and support community-owned solar in Maine.

Sharon Klein
Bangor
LD 1321
See attached