



Testimony in Support of LD 1317:

“An Act to Promote Responsible, Cost-effective Energy in Maine by Amending the Tariff Rates Applicable to the Commercial and Institutional Net Energy Billing Program”

Senator Lawrence, Representative Sachs, and the distinguished members of the Committee on Energy, Utilities and Technology, my name is Harris Van Pate, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free-market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to testify in support of LD 1317.

LD 1317 is a necessary step toward addressing rising energy costs, which are driven in part by the current structure of Maine’s Commercial and Institutional Net Energy Billing (NEB) program. While the NEB program’s original intent was to incentivize renewable energy generation, the structure of generous long-term tariff rates—well above market prices—has ultimately shifted the financial burden to electricity ratepayers. This bill wisely recognizes the need to correct course.

Maine’s ratepayers, including families and small businesses, are already struggling with some of the highest electricity prices in the country. According to the U.S. Energy Information Administration, Maine has the sixth-highest energy costs in the country.¹ This is due in no small part to policy-induced costs, including NEB contracts that compensate distributed energy producers far above market rates, according to the Maine public advocate.²

LD 1317 provides a rational path to fiscal sanity by capping future NEB tariff rates. It gradually brings those rates down to 12 cents per kilowatt-hour by 2028, thereby aligning compensation closer to actual energy market values. By introducing this cap, the bill helps rein in the excess costs imposed on non-participating ratepayers, including low-income Mainers and small businesses who otherwise subsidize these inflated payouts.

This is sensible and market-aware reform. It does not end NEB or punish existing investments. Instead, it ensures that future participation in the program reflects fiscal responsibility and aligns with competitive energy pricing. It is a model of targeted reform that preserves the program’s goals without imposing undue costs on the broader population.

¹ https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a

² <https://www.maine.gov/meopa/about/news/january-2024-highlights>



Maine Policy Institute believes that energy policy must reflect sound economic principles. Energy generation should be guided by consumer demand and market signals, not by overly generous subsidies or mandates that enrich some at the expense of many. This bill moves Maine's energy policy in that direction.

We urge this committee to vote "Ought to Pass on LD 1317." Thank you for your time and consideration.