

Nexamp Testimony – LD 1321
Committee on Energy, Utilities and Technology
Jake Springer
April 10th 2025

Thank you, Chair Lawrence, Chair Sachs, and members of the Energy, Utilities and Technology Committee for the opportunity to submit testimony for this hearing.

I am testifying today in opposition to: **LD 1321, An Act to Reform Net Energy Billing by Establishing Limitations on the Programs' Duration and Compensation**

Nexamp is a vertically integrated clean energy company with nearly two decades of experience in this region developing, constructing, operating and maintaining solar and energy storage projects. We are the long-term owners for all our projects, managing the assets through their whole lifecycle until decommissioning, and we work directly with the customers participating in our projects providing them a guaranteed discount on the credits they receive.

Nexamp has some 40 projects in Maine and through the Net Energy Billing (NEB) program we serve almost 20,000 customers in the state. In doing so we have invested hundreds of millions of dollars building these projects and upgrading the distribution grid infrastructure that supports the state. We are proud of what we have been able to build in Maine and to serve the Mainers who have chosen to participate in these projects. Our customers are Maine businesses of all sizes—including hospitals, breweries and ski areas—as well as municipalities and school districts. But the vast majority are residential customers who are saving on average \$232 each year by participating in one of our projects.

LD 1321, as outlined in the proposed sponsor amendment, would fundamentally undermine the NEB program, putting underwater the investments that customers all of types have made under NEB. As proposed, compensation for customers of NEB projects in the Kilowatt hour program would be cut to just the supply rate, retroactively cutting the value of the credit in half.

This change would ignore the fact that these projects provide substantial transmission and distribution (T&D) benefits which are appropriately reflected in the value of the credit under current law. NEB projects make substantial investments in grid infrastructure to interconnect, much of which provides broad benefits to the system and customers at large. In addition, NEB projects provide power close to where it is consumed, which reduces load on the system and alleviates grid constraints. This in turn reduces the transmission charges paid in the state as well as the need for additional T&D infrastructure and—a significant customer expense. The T&D value provided by these projects is real—\$58 million in 2024 according to SEA.

These benefits accrue to the system as a whole—not just participating customers and must be accounted for in the context of evaluating the program. The Legislature, through LD 1986, specifically recognized this and tasked the PUC with evaluating both the costs and the benefits of



the NEB program—work that is actively ongoing in Docket 2024-00149. The premise of LD 1321 is that there is no T&D value provided by the projects—a premise that we know to be false.

In addition to failing to recognize the full value of NEB projects, LD 1321 would take a retroactive buzzsaw to currently operating projects, cutting in half the value of the NEB Kilowatt hour projects supporting homes across the state. For Tariff rate projects, LD 1321 would leave the credit methodology completely up in the air and subject to a PUC decision, exactly contrary to the clear direction provided in the statute currently.

The NEB program establishes the revenue that projects are eligible to receive over their lifespan and simply changing that revenue via statute—however simple that may seem—is a drastic move that will jeopardize every single project and the financing structures that underly them. Now that decisions have been made, loans are approved and projects are built, LD 1321 proposes to simply change the rules and the underlying compensation framework that made it all possible.

While members of the Committee undoubtedly have a broad range of views on the NEB program generally, proposals like LD 1321 should give all lawmakers pause. This is not just about clean energy businesses like Nexamp or the Maine consumers who have supported these specific investments. More broadly, retroactive changes like those considered under LD 1321 undermine investment and confidence in doing business in Maine. Policies enacted by the Legislature to attract private investment, such as NEB, rely on the credibility of the state and the predictability of state policy to secure the investment. Retroactive actions like that proposed in LD 1321 completely undermine this premise.

Nexamp is ready and willing to discuss improvements to the existing NEB program so it can deliver for all Maine consumers and to chart a path forward for future distributed solar and energy storage to achieve the state's goals. But we cannot support efforts that unwind the progress made to date and that undermine existing investments.

We strongly urge you to oppose LD 1321.

Respectfully,

Jake Springer
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Nexamp