



Testimony to the Joint Standing Committee on Energy, Utilities and Technology

Opposing:

**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**

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

4-10-25

Dear Senator Lawrence, Representative Sachs and Members of the Energy, Utilities and Technology Committee:

My name is Amy Winston. I live in Edgecomb and am testifying today on behalf of CEI in opposition to **LDs 1317 and 1321**. Founded in 1977, [Coastal Enterprises, Inc. \(CEI\)](#) is a place-based community development financial institution (CDFI) based in Brunswick. Our mission is to build a just and vibrant economy for people and communities in Maine and rural regions. We do this by integrating finance, business expertise and policy solutions. Over the past 47 years, CEI has invested \$1.75 billion in 3,488 businesses and projects that are creating positive economic ripple effects in communities throughout Maine.

CEI's [low-interest solar loan](#) enables business owners to decarbonize their production and operations while building equity and insulating their companies from the escalating price of fossil fuels. Since launching this product in the fall of 2022, we have received roughly 100 inquiries from a broad range of businesses – from farm and agriculture related businesses to accounting firms, restaurants, manufacturers, landscaping companies, mom-and-pop shops, and more. CEI's solar portfolio consists of **74 loans** that generate **257 million kWhs** annually of clean energy. Combined, these loans represent **\$28MM in direct financing** and they *leverage an additional \$47 MM*. Most of these projects are in Maine and benefit Maine businesses and Maine communities. These deals make it possible for small business owners to **reduce business costs**. This is only possible through net energy billing (NEB), where business owners can offset the extremely high upfront capital cost of installing solar by receiving kWh credits on their billing statement. This allows them to take on debt where the **monthly loan payments are less than what their utility bill used to cost**.

As you know, LDs 1317 and 1321 propose significant changes to Maine's net energy billing policy. Current law enables Maine's Public Utilities Commission to adopt rules governing NEB and direct the commission to create a net metering program for commercial and institutional consumers of investor-owned transmission and distribution utilities (T&Ds). If passed, LD 1317 will ratchet the tariff rate for commercial and institutional NEB customers to 12¢ per kilowatt-hour (kwh) by 2028. That is an abrupt change that will have immediate effects and require painful adjustments during what is already an uncertain economic climate. LD 1321 (as amended) would index NEB credits to supply charges only; limit NEB projects to a modest 60 kilowatts and the number of off takers to projects with shared financial interest; and enable the PUC to periodically adjust NEB credit compensation rates. **These bills will fundamentally change the terms on which projects have been built and financed**. Moreover, these initiatives diminish Maine's efforts toward national leadership in the transition to a clean energy economy.



From an environmental and economic standpoint, **NEB is central to Maine's climate strategy and to the strategies that Maine's small businesses have adopted to make their companies viable and sustainable.** Small businesses are the backbone of Maine's economy. Utilities provide a public interest service that is fundamental to the health, safety and prosperity of our communities. Intervention has always been necessary to provide universal access to affordable electricity. It is incumbent on state government to center and hold utilities accountable to the public interest as Maine communities navigate economic and environmental change.

Net energy billing has fostered development of solar energy throughout Maine. NEB benefits entities generating solar electricity – households, businesses, and other institutions – as well as the electrical distribution grid. When NEB was implemented, it was understood that this would need to be an iterative policy process. NEB is foundational to clean energy policy and a clean energy economy. **The focus today needs to be on promoting affordable, appropriately sited distributed generation.**

NEB has broadened participation in renewable energy, reducing dependence on fossil fuels whose price fluctuations add uncertainty to small business' budgets. It is part of Maine's climate strategy and a pathway to affordable electric and a clean energy economy. The benefits of the NEB tariff program outweigh its costs. Scapegoating solar will only make access to clean energy less accessible and less affordable to Maine residents and business owners. Maine's net energy billing program has not raised utility rates, as opponents have argued. The fluctuating cost of natural gas and increased expenses associated with storm recovery are largely responsible for electricity rate increases. It is from these stranded costs that ratepayers need relief. The short timeline proposed places too much pressure on businesses and communities to recalibrate their cash flow. **To abruptly repeal or radically alter this policy and cancel net metering will negatively affect business owners who have invested in and financed distributed generation based on this policy.** These bills will retroactively revoke the benefits in contracts that have already been made *based on existing Maine law*.

There is broad agreement among stakeholders that the program needs to be improved. It has been adjusted several times to alleviate the burden on ratepayers. CEI provided a lender's perspective to the Distributed Generation Stakeholder Group process that was convened specifically for the purpose of developing an affordable "NEB 2.0" successor program to optimize benefits and reduce the costs to ratepayers and small businesses. CEI is committed to bringing solar energy and energy efficiency products to a wider audience so that all ratepayers may benefit from these programs and transition away from expensive fossil fuels. **Businesses that we have worked with who are enrolled in community solar programs or have installed solar themselves have seen a decrease in their utility costs and a stabilization overall on these rates.** In fact, a 2023 report by the PUC, found that for every dollar spent on the net energy billing program, ratepayers received \$1.29 in benefits. **Instead of penalizing small businesses that want to reduce their energy costs by investing in solar, it is time for the state to adopt the consensus recommendations that the DG stakeholder group worked so painstakingly on.**

Thank you for your commitment to an energy policy that benefits all Mainers and for the opportunity to testify on these bills. We urge you to vote **Ought-Not-to-Pass** on LDs 1317 and 1321.