

Testimony of Elizabeth Woolfolk in Opposition of
**LD 1321: An Act to Reform Net Energy Billing by Establishing Limitations on the
Programs' Duration and Compensation**

Senator Lawrence, Representative Sachs, and honorable members of the Energy, Utilities, and Technology Committee. I am Elizabeth Woolfolk, and I am the Manager of Renewable Energy Planning and Policy at A Climate to Thrive. A Climate to Thrive is a community-driven non-profit that is working on a clean energy transition that prioritizes community benefits across Maine, with a particular focus on energy equity. Thank you for providing me with this opportunity to oppose **LD 1321: An Act to Reform Net Energy Billing by Establishing Limitations on the Programs' Duration and Compensation**.

This legislation would reduce net energy billing (NEB) benefits for solar owners by eliminating the NEB credits' distribution and transmission (T&D) value. Removing T&D at today's rates would reduce the credit value by 53%. The bill would also reduce future project sizes to under 60 kW after November 2025 and limit projects to no more than 10 customers. These changes would virtually eliminate future municipal, small business, and cooperative solar projects.

As the argument against net energy billing hinges on the false narrative that the program is the sole reason electric rates are rising, it is important to set the record straight. Electric rates are rising not just in Maine, but across the country. Unfortunately, but undeniably, the electrical infrastructure is aging, and the costs associated with its maintenance and repair are only increasing due to the more frequent and intense storms caused by climate change. Necessary grid modernization upgrades, as well as ongoing O&M, will be expensive, and rates will continue to rise. The need to upgrade aging infrastructure exists independent of solar adoption. In fact, in many cases, net energy billing customers end up covering upgrades that simultaneously support interconnection and improved infrastructure around the solar installation, deferring those costs from ratepayers. Rate case testimonies and grant applications clearly show that due to funding limitations, current utility plans do not address all necessary replacements and improvements in the power delivery system. By offsetting some of the work needed, NEB-funded upgrades directly benefit ratepayers.

Solar projects built under the net energy billing program save Maine ratepayers millions more each year than the program costs. As mentioned above, these projects strengthen the distribution grid through upgrades paid for by the solar owner. They reduce peak demand, thus reducing the need for expensive transmission line upgrades. Distributed solar also reduces electricity losses that occur when transporting energy over long-distance transmission lines. In 2023, this committee tasked the MPUC with providing annual reports on the net energy billing program's

cost and the benefits of distributed generation. That report showed that in 2023 alone, net energy billing provided nearly \$30 million more in benefits than costs.

Through net energy billing, individual ratepayers have a pathway to build distributed solar generation that mitigates their rising electricity rates and suppresses grid-wide expenses caused by peak demand and long-distance energy loss. If we are here in the interest of ratepayers, then we should act like it and not remove a program that can help ratepayers deal with the rate increases caused by the need to upgrade an aging grid. Scapegoating solar as the driver of high electricity costs in Maine only serves to empower utility overspending, further harming ratepayers.

Additionally, as Maine strives to meet our ambitious building, transportation, and electrification goals, our state will have a greater demand for electricity. Maine's investments in renewable energy have counteracted the cost increases driven by New England's over-reliance on fossil fuels, by providing stable, locally produced energy not dictated by global energy markets. By cutting programs that support Maine-owned distributed energy production, this bill will weaken our energy independence and increase Mainers' dependence on expensive and volatile imported fuels that channel money out of the state. It is with this in mind that ACTT urges this honorable committee to oppose **LD 1321: An Act to Reform Net Energy Billing by Establishing Limitations on the Programs' Duration and Compensation.**