

Chair Lawrence, Chair Sachs and Fellow Energy Consumers of the EUT Committee

I would like to enter the following testimony to LD 1321, An Act to Reform Net Energy Billing by Establishing Limitations on the Programs' Duration and Compensation

Central Maine Power echoes Commissioner Bartlett's logic in an earlier proceeding in the case # 2024-00137 (Case filing # 275, Transcript 1-10-2025, Pages 63-64) Consideration to the fairness of rate design to incorporate electrical exports into the system for stranded cost payments.

Below is a publicly accessible filing:

INVESTIGATION : COMMISSION INITIATED INVESTIGATION FOLLOW-ON PROCEEDING TO FURTHER INVESTIGATE STRANDED COST RATE DESIGN.

Filing # 322, Case # 2024-00137, "CMP Exceptions to Examiners Report"

March 17, 2025 Central Maine Power Company's Exceptions to Examiners' Report Central Maine Power Company

"Service Requirements & System Use "

"The rate design proposed by the Examiners' Report focuses solely on kWh consumption but does not recognize another type of grid utilization— electrical exports. This approach would lead to industrial customers and generators who utilize the system in a different, but proportional, manner paying vastly different amounts towards stranded costs. Such a disparity makes little sense given that customer consumption does not create stranded costs, nor are the benefits associated with stranded costs a function of consumption. See Docket No. 2022-160, Order at 14. Thus, to the extent one type of grid use, consumption, is incorporated into the rate design, fairness dictates that there should also be a mechanism, such as a fixed charge component, that captures the other type of grid use, exports."

Although LD 32 offers no consideration of stranded cost rate design, it has become a highly contested issue for the PUC and a number of stakeholders.

When solar projects were first offered to municipalities, I recall some developers were not only offering municipalities a chance to reduce electricity costs, but offered the municipality an opportunity to purchase the project after six years of operation. One could consider the developer had calculated their return on investment occurs after 6 years and numbers based on current compensation granted solar developers through NEB and Tariff Rate programs seem to back up ROI calculations.

Noting that many contracts are for 20 years, the profits for developers are exceedingly generous, but contracts are contracts and must be honored.

Adding a fixed charge component to distributed generation, a fee, for use of the grid does not change the contracts, it simply recognizes that using the grid to feed electrons in is no different than taking electrons from it.

Thank You Clayton McKay Dixfield, The Only One.