



May 1, 2025

Hon. Senator Mark Lawrence, Senate Chair
Hon. Representative Melanie Sachs, House Chair
132nd Legislature Joint Standing Committee on Energy, Utilities, and Technology
100 State House Station, Augusta, Maine 04333

RE: **LD 1777: An Act to Clarify Tariff Rates for Nonresidential Customers Participating in Net Energy Billing with a Distributed Generation Resource**

Members of the Joint Standing Energy, Utilities, and Technology Committee,

I am submitting testimony in **opposition** to LD 1777: An Act to Clarify Tariff Rates for Nonresidential Customers Participating in Net Energy Billing with a Distributed Generation Resource.

The premise of my testimony is simple: predictability is paramount for ratepayers, existing NEB customers, the Legislature, the Office of the Public Advocate, and the renewable energy industry. By putting tariff rate design in the hands of the PUC subject to change at any time is untenable. Without predictable outcomes on rates, it leaves too much uncertainty for budgetary planning purposes when businesses, municipalities, etc consider solar and how it would benefit their bottom line—how can they predict a return on investment when every year presents a wild card with the latest rate outcomes. Additionally, this bill will create stress for existing solar project owners (businesses, municipalities, etc) who have already made the investment to install solar in the tariff program.

This bill also makes no clarifying statements of *when* rates would be set. There might be rate changes each year, or every five years. Tariff projects also range in capacity—who is to say that one project can endure a rate change while another project other cannot endure a rate change which may result in a default on their loan to construct the project? Additionally, the terms “just and reasonable” and “fair profit” are undefined and provide no certainty for the market to understand how this would be interpreted. Language like this creates so much commercial uncertainty that nobody will be able to underwrite a project given the possibility of diverse interpretations.

We understand that this bill provides guidance that the tariff rate may not exceed 1.5x the average rate set by other states in the region, but it is an oversimplified assumption that the energy pricing matrix in Maine is the same as other states in our region. This committee can attest to how complicated rate design is, and we would undoubtedly be creating future unintended consequences and complications by using this reductive math equation.

Lastly, Branch fully appreciates the need for reform in the existing NEB program, and we are actively working with legislators and other stakeholders such as the Office of the Public Advocate and the Governors Energy Office to craft reasonable adjustments to the NEB program that result in meaningful savings to ratepayers. Unfortunately, this legislation in its current form leaves more questions than answers, and we would ask the legislature to provide more clarity and direction on this bill language to better understand its intended outcomes.

Respectfully,

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