



OFFICE of the CITY MANAGER

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April 30, 2025

Senator Mark Lawrence

Representative Melanie Sachs

Joint Committee on Energy, Utilities, and Technology

Legislative Information Office

100 State House Station

Augusta, Maine 04333

Re: Testimony in Opposition to LD 1777

Senator Lawrence, Representative Sachs, and Members of the Joint Standing Committee on Energy, Utilities, and Technology—

It has come to our attention again that your committee is considering another bill that propose significant retroactive changes for Maine's Net Energy Billing program, specifically focused on making changes to the Tariff Rate Program. We find this very concerning as we are currently constructing a project to offset half of our municipal load here in the City of Bath, and programmatic changes may very well diminish the investments we have made to date, leaving us with the requirement to pay for a system that will not be operable.

As a municipality, it should come as no surprise that our multiple facilities' result in high energy costs as one of the largest line items in our budget each year. For that reason, we sought out opportunities to reduce these costs—ultimately to reduce taxpayer burden—and decided to enter a contract for solar development on an older capped landfill. The project is currently under development and is expected to begin construction this year.

Our project will ultimately be subject to Tariff Program rates, which LD 1777 proposes to significantly alter. The bill essentially says that the Maine Public Utilities Commission (MPUC) can and will set the rates for all projects in the Tariff Program, so long as they are just and reasonable and benchmarked to similar rates in the region. While we

understand the sponsor's intent, we have serious concerns about how such legislation would be implemented. There is no limitation on the frequency that rates could change, or no methodology the MPUC is instructed to follow. That leaves the City exposed to potential extreme financial volatility—with no ability to thoughtfully or reasonably forecast energy costs and their ultimate impact on our budget, as we are required to do as a municipality reliant on our taxpayers. The City chose to move forward with this project based on specific financing, and this legislation would allow any change in rates to occur at any time throughout our project term.

While change may be desired, this proposal introduces too much volatility and regulatory uncertainty for customers. Such legislation threatens the viability of this project, as well as the investments of many fellow municipalities across the state. The outcome would result in unexpected budget gaps that would be an immense challenge to address.

This project is a key part of our expanded and updated Resilient Bath Climate Action and Resiliency Plan, which was years in the making and passed by our City Council this past November. A key initiative of the plan includes a municipal renewable energy transition, specifically investing in solar power for municipal facilities, as well as energy-efficiency programs. This living document reflects the will of our community, and we take its implementation very seriously.

We understand that Maine has clear, codified climate goals that require the increase in renewable energy generation. We are constructing a project on a former landfill site to offset our municipal needs, which ultimately serves our taxpayers. It appears to us that this is the type of project—sited on contaminated land, reducing the energy costs of a municipality to ultimately reduce taxes and thus impacts on taxpayers—that we want to be encouraging to meet our state's goals. We urge the Energy Committee to reject this proposal, which would introduce an extreme amount of fiscal uncertainty for both the energy investments we are making and for our city's taxpayers, too. For the investments made by dozens of municipalities across the state, we ask you to vote ought not to pass on LD 1777. Thank you.

Sincerely,

Rod Melanson

Director of Sustainability & Environment

City of Bath