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WRITTEN STATEMENT FOR THE RECORD
FOR THE HEARING ON MAY 1, 2025
MAINE LEGISLATURE
JOINT COMMITTEE ON ENERGY, UTILITIES, AND TECHNOLOGY

BY REPRESENTATIVES OF NAUTILUS SOLAR ENERGY, LLC
396 SPRINGFIELD AVENUE, 2ND FLOOR
SUMMIT, NEW JERSEY 07901

DATE OF SUBMISSION: Wednesday, April 30, 2025

Chairs Sen. Lawrence and Rep. Sachs, and Members of the Committee

Thank you, Chairpersons and Members of the Committee, for the opportunity to testify today.

My name is Laura York, and I serve as the Senior Vice President of Strategic Development at Nautilus Solar Energy. We are a long-term owner, operator and financier of distributed solar projects, and have served as financiers for local Maine developers over the past five years. To date, we have invested close to \$400 million in development, construction, and interconnection upgrades in this state, helping to expand access to clean energy for nearly 14,000 Maine households and small businesses. This significant investment was deployed due to the contractual certainty provided by executed Net Energy Billing agreements and the funds already dispersed to our local development partners were calculated based on the fair market value of the projects as dictated by the Net Energy Billing contracts and legislation. For this reason, we respectfully oppose LD 1777 and any retroactive change to Maine's Net Energy Billing program.

Nautilus has entered into legally binding contracts with solar developers, lenders and subscribers based on the existence of awarded Net Energy Billing contracts and the legislative framework. Honoring our commitments and adhering to contractual arrangements are not only core values for our business, but are also critical components of our risk management strategy and investment criteria. Imposing punitive retroactive changes to the compensation methodology would force our company to restructure our financings and break our commitments to our customers and trusted partners. We were one of the first investors to participate in the Net Energy Billing program. We entered the market in good faith and have played by the rules, diligently adhering to all grandfathering requirements, affidavit submittals and deadlines. LD1777 and other bills proposing retroactive changes directly penalize investors and companies like ours who made

significant investment and long-term commitments within the bounds of the existing contractual Net Energy Billing framework.

Proponents of LD1777 and other similar bills decry a windfall resulting from the Net Energy Billing crediting structure. The industry has faced many headwinds including supply chain and labor constraints, inflation, rising interest rates, federal policy uncertainty and tariffs. Additionally, a retroactive change enacted by the Maine Legislature would set a dangerous precedent that would impair our ability to successfully conduct business in other states resulting in far greater damage than any windfall. Adherence to contracts is essential for infrastructure development to be successful. Retroactive changes would create a climate of deep uncertainty for future business investment in Maine and beyond.

While we appreciate the intent of LD1777 to provide developers with a fair profit, the proposal to have the tariff rate set by the commission and then periodically updated is problematic. Financial models used for capital investment decisions and financing structures rely on robust retail rate forecasts extending for the life of the project. These forecasts leverage energy market dynamics and can be transparently evaluated to create a view of the future. Simply allowing the commission to set and then reset the appropriate rate will make the forecasts that financial models rely upon impossible to predict, and therefore to finance.

Net Energy Billing projects provide important, broad benefits. Our projects fund significant grid upgrades that improve reliability and reduce long-term system costs for all ratepayers. We create local construction jobs, provide lease income for Maine landowners, and help diversify the state's energy supply in ways that strengthen economic resilience.

Looking ahead, it is crucial that any future program reforms be made on a forward-looking basis only. Upholding existing commitments is vital to maintaining Maine's reputation as a fair and reliable environment for investment and innovation. Stable, long-term investments are necessary for Maine to continue delivering cost savings, grid improvements, and clean energy options for its residents and businesses.

Thank you for your time and consideration. I would be happy to answer any questions.

Sincerely,
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