REVISION ENERGY

May 1, 2025

Senator Mark Lawrence & Representative Melanie Sachs
Joint Committee on Energy, Utilities, and Technology
Legislative Information Office
100 State House Station
Augusta, Maine 04333

Testimony re: LD 1777, "An Act to Clarify Tariff Rates for Nonresidential Customers Participating in Net Energy Billing with a Distributed Generation Resource" from ReVision Energy

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

ReVision Energy ("ReVision") submits these comments as a Maine-founded, employee owned, certified B Corporation clean energy construction company with over 400 employees across our five branches in New England, including more than 200 co-owners in Maine between our Montville and South Portland locations. As a longstanding member of Maine's growing clean energy industry, we work to achieve our mission of building the just and equitable electric future our state needs to meet our climate goals and ensure all Mainers have access to clean, affordable, local energy. With more than 20 years of experience installing residential and small commercial solar across the state, we submit this testimony today in opposition to LD 1777 given the significant regulatory uncertainty it would introduce to existing solar customers.

First off, we wish to note that we appreciate the sponsor's intention to charge our state's ratemaking entity—the Public Utilities Commission (PUC)—with the responsibility of ultimately setting rates that are just and reasonable for project customers. This is certainly a worthy cause—however, we have concerns that the implementation of the bill as written would introduce significant uncertainty, concerning to project owners and Net Energy Billing (NEB) program participants—and to those who seek long term clarity in both program costs and benefits.

The following outlines our concerns with this legislation:

- **Frequency of Rate Changes:** LD 1777 allows the PUC to set a rate for compensation of all Tariff Program projects at any time. There are no guardrails on the frequency of rate changes: rates could be set every few months, every year, or not for many years—or in any such combination. This provides no regulatory certainty for offtakers of these projects—leaving the municipalities, schools, special districts, and businesses participating in the program who hold the rate risk within their contracts with no clarity or certainty as to when or how rates might change or fluctuate. Not only does this pull the rug out from such entities in terms of the expectations they reasonably anticipated at the time of project investment, but this does not afford these customers the opportunity to complete any future fiscal forecasting or budgeting, which we believe is very problematic especially for municipalities and schools who are reliant on taxpayer dollars.

- **"Just and Reasonable" Rates**: Next, the legislation requires the PUC to set "just and reasonable" rates for projects. Such terms are not only undefined, but there is no direction

in statute for the PUC to make such an evaluation, other than saying the developer should receive a "fair profit." We question how such a process would be implemented—would this happen on an individual project basis? Or by project size or type? The PUC could fulfill the statute by simply creating one rate for projects regardless of the current rate they are on—and as we've discussed, project financing looks significantly different for original rate projects and tariff rate projects. Would the PUC then need to investigate specific project information and require proprietary financial information? Ultimately, this requirement is too vague, which again introduces significant regulatory uncertainty and removes any certainty for the thousands of customers within the program.

- **Use of Term "Developer:"** LD 1777 requires the PUC to develop a just and reasonable rate for the project developer and customer to ensure the developer receives a fair profit. We believe it is important to point out that there are many different project financing models and for many projects, a developer constructs the project and then sells the project to either the customer or a combination of a customer and an investor. Given many projects are no longer tied to a "project developer," we believe the term "Project Sponsor" would likely be much more appropriate here, or even "Interconnecting Customer." Ultimately, customers should be ensured fair compensation for the energy they produce regardless of whether or not there is a developer involved in the ownership model.

- **Regional Benchmarking**: We understand the goal of regional benchmarking to set rates at no more than 1.5 times the compensation neighboring states provide, however we again have concerns regarding the implementation of such a requirement. LD 1777 says the rate may not exceed "tariff rates set by other states" for "a similar distributed generation resource." We would point out that nearby states have a variety of programs that differ in structure and are not all similar tariff rate programs. For example, it has been mentioned that Massachusetts' net metering program is only for projects less than 60kW, and that is because the state has a robust incentive program called SMART that functions to compensate projects 60kW to 5MW in size; there are no "tariff rates" in MA. Ultimately, we are concerned that there is no direction to the PUC as to how to benchmark with such differences or how often to benchmark, either.

We understand that addressing the costs within Maine's Tariff program is of significant interest to many on this Committee. However, we do not believe this legislation would result in certainty for NEB program participants and Maine ratepayers. For these reasons, we ask you to vote ought not to pass on LD 1777. We are happy to answer any questions.

Sincerely,

/s/ Lindsay Bourgoine

Lindsay Bourgoine
Director, Policy & Government Affairs
ReVision Energy