

## **Testimony of Carl Soderberg in Support of LD 1860**

### **An Act to Allow Certain Distributed Energy Resources to Participate in the State's Net Energy Billing Program**

Good afternoon, Chairs Senator Lawrence, Representative Sachs and distinguished members of the Energy, Utilities and Technology Committee. My name is Carl Soderberg, and I am a member of Nordic Sun Energy, LLC (Nordic Sun), a group of local businesspeople from Caribou, that are deeply vested in their community. Thank you for the opportunity to submit testimony in support of LD 1860.

My written testimony will focus on the following aspects of the Nordic Sun Project addressed by LD 1860: (1) the Project's development timeline, (2) interconnection study process, and (3) the subscribers contracted to receive electric bill savings from the Project. LD 1860 addresses the following unique eligibility issues for this Project's participation in net energy billing (NEB):

- The project's interconnection study process deviated from standard sequence contemplated by applicable interconnection rules because it began with a transmission cluster study that delayed signing of the interconnection agreement.
- Versant has discretion to execute an interconnection agreement before or after any required transmission-level interconnection studies.
- Because Versant oversees the timing of executing the interconnection agreement and the cluster study, both were outside Nordic Sun's control.
- All of the power flowing into and out of the northern Maine service territory involves power purchase transactions with Canada.
- The Public Utilities Commission (PUC) does not currently have open any competitive procurements of power in northern Maine.
- Other than the NEB program, the Project has no other option to sell its power.
- With the current global trade environment, it makes sense for northern Maine territory to produce a bit more of its own power supply.

#### **1. Project Development Timeline:**

Nordic Sun's planning for the 3.0 MW generator sitting completely constructed, but un-energized, at 14 State Road in Presque Isle began long before the current NEB program was enacted. The Project's general development timeline was as follows:

1. In October 2011, one of the members of Nordic Sun acquired the current project site on 14 State Road in Presque Isle.<sup>1</sup>

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<sup>1</sup> Nordic Sun addresses here the statement at the public hearing that Nordic Sun had potentially applied to the Public Utilities Commission (PUC) for a good cause exemption for the Nordic Sun Project at 14 State

2. In 2016, Nordic Sun started the state permitting process for development of the site.
3. In 2017, DEP permitted the Project site.
4. On June 4, 2021, the City of Presque Isle issued a building permit for the Project.
5. In the summer of 2021, Nordic Sun began further civil and earth work for the Project.
6. In early August 2022, Nordic Sun began physical construction of the generation facilities for the Project.
7. By the end of 2023, the project was nearly mechanically complete.
8. In December 2024, once the interconnection upgrades by Versant were ready, Versant issued the Project permission to operate (PTO).
9. In mid-December 2024, in parallel with issuing PTO, Versant also informed Nordic Sun of the NEB eligibility issue for the Project.

Upon discovery of the NEB eligibility issue in late December 2024, Nordic Sun consulted with legal counsel and the PUC concerning the process of seeking a good cause exemption pursuant to 35-A M.R.S. § 3209-A(7)(E). In considering PUC's recent precedent in denying good cause exemptions to other fully built (mechanically complete) generators, such as the solar generation facility in Ellsworth addressed by LD 1860, Nordic Sun elected to pursue this legislative solution.

## **2. Interconnection Study Process:**

In March of 2021, the transmission or cluster system impact study (cluster study) involving the project began, according to information previously shared by Versant. The cluster study was completed on August 31, 2021. The cluster study involving the Project occurred over roughly five months and occurred prior to the start of the project-specific system impact study (SIS) and execution of the Project's interconnection agreement.

In May of 2021, the Project finalized its interconnection application with Versant. Upon the project's application to Versant, it was included in the ongoing cluster study, according to information previously shared by Versant. Unlike the study process required by the Maine PUC's small generator interconnection rules (Chapter 324), which begins with a project-specific SIS, the cluster study was the first study of Nordic Sun's Project. The start of the project-specific or initial SIS is particularly significant for Nordic Sun's project because it relates to NEB's specific

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Road in Presque Isle. That statement is incorrect. Nordic Sun Energy, LLC has not submitted a petition for a good cause exemption for this Project. In March 2022, an affiliated entity of Nordic Sun Energy, LLC (Nordic Properties, LLC) submitted a request for good cause exemption for a different proposed net energy billing generator that was planned as a 4.99 MW solar facility in Caribou, ME. (Docket 2022-00070).

eligibility accommodation for generators in the Maine Public District (35-A M.R.S. 3209-A(7)(C)(1)).

**In Nordic Sun Project's case, the difference between the Chapter 324 process and Versant's initiation of the study process with a cluster study meaningfully affected the timing of executing the interconnection agreement.** The cluster study considers whether any transmission system upgrades or curtailment requirements are required, both of which can significantly impact a proposed generator's design, interconnection cost and revenue forecasts. The Project's execution of an interconnection agreement after a cluster study also differs from the process for interconnecting generators in Versant Power's Bangor Hydro district and in CMP territory, which, at that time, followed Chapter 324's impact study sequencing. The difference in this Project's interconnection sequencing meaningfully affected its qualification under the applicable NEB eligibility requirements.

### **3. Project Subscribers and Access to NEB Credit Savings**

The Project has over 90 subscriber accounts contracted to receive NEB credits from the Project. Unfortunately, those NEB credits are not forthcoming due to the eligibility issue affecting the Project. Several local businesses and farmers in Aroostook County are contracted to purchase the NEB credits. Based on conservative projections, the credits stood to save the subscribers millions off their electric bills over the Project's 20-year participation in NEB.

The Maine Public District has fewer NEB generators from which to benefit than most other service territories. The elimination of this fully constructed facility from the NEB Program creates a barrier between the benefits of NEB and northern Maine ratepayers. Foregoing this Project's potential electricity cost savings from NEB is an unfair and disproportionate burden upon a region with significant energy cost and supply challenges from its lack of direct connection to the New England transmission system. LD 1860 will help the Project subscribers afford their electricity costs.

Thank you for your time and consideration. We are happy to provide additional information or answer any questions.