REVISION ENERGY

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

May 12, 2025

Testimony re: LD 1936, "An Act to Provide Greater Equity in and Reduce Costs Related to the State's Net Energy Billing Program" from ReVision Energy

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

Founded in Liberty in 2003, ReVision Energy today boasts more than 200 co-owners across the state in our Montville and South Portland locations. As a certified B-Corporation, 100% employee-owned clean energy construction company, we develop, install, and maintain residential, community, and commercial solar, as well as storage, EV charging, and heat pumps. Given our experience installing hundreds of distributed generation solar projects across the state—from 5 kW to 5MW, we are present today to speak to our state's net metering program, Net Energy Billing (NEB), which enables our customers to be compensated and credited for the power they produce.

Once again, we are gathered here today due to a false narrative that has spread rapidly blaming solar energy for Maine's rising electricity rates. This premise is simply not true. Solar energy is delivering real, tangible benefits to Mainers. The actual culprits of our sky high electric bills are the rapidly increasing cost of fossil fuels, massive bills for storm damage, and rising transmission costs. The truth is that our state's NEB program yields significant benefits to all ratepayers and offers the state the only proven, timely opportunity to increase local generation in the face of rising energy demand.

A repeal or retroactive change to the NEB program, as LD 1936 suggests, will financially harm more than 110,000 participants in the state—municipalities, schools, special districts, hospitals, affordable housing, nonprofits, businesses, and residents—the thousands of Mainers that made a non-political decision to invest in more stable, predictable energy prices and aid the state in its achievement of its codified climate goals. To entirely strand such investments is nationally unprecedented—in fact, to date, only one state has taken such drastic measures, only to quickly reverse course due to the significant fall out.

LD 1936 all but repeals the NEB program, retroactively damaging investments to the point where many if not all Tariff Rate projects risk going under. This will not only have a chilling effect on investment in Maine and the clean energy workforce, but it will certainly lead to situations in which lenders have no choice but to sue. ReVision Energy's specific concerns with LD 1936 are as follows:

- **Section 1** defines non-resident project owners and ultimately limits their financial returns in Section 9, 10 and 13 by requiring the PUC to determine a fair profit for their projects in both the Kilowatt Hour Credit and Tariff Rate Programs starting January 1, 2026. Discriminating against non-residents is constitutionally problematic and not rationally defensible.

- **Section 3** essentially sunsets the opportunity to participate in NEB when current contracts end. The language “a person may not participate” opens significant questions for the 110,000 current program participants as bill suggests no opportunity to receive fair compensation for the energy such customer-generators beyond that date. This leaves program participants in limbo and suggests the investments they made in our state’s grid infrastructure and climate goals are at that point entirely moot and financially unviable.

- **Section 4** requires utilities to enroll LIAP customers onto NEB projects should an existing customer opt out of program participation. This section is problematic for a host of reasons, but in particular, it is unclear how the state could require a private entity to sell credits to a particular customer. Would there be a contract? Would project sponsors be required to contract with a specific customer designated by a utility? What happens if a LIAP customer does not pay the owner? How would terms “no less financially favorable than those applicable to the customer whose participation was terminated” be ensured? Even more, without a net crediting and/or consolidated billing mechanism to serve such customers, LIAP customers would then receive multiple bills and would ultimately be required to front more costs to ultimately receive a discount. While the goal of this provision is understandable, there are much more direct and efficient ways of serving low income customers with the benefits of clean energy.

- **Section 5** significantly limits projects that were granted good cause exemptions from the Public Utilities Commission by requiring each to reach commercial operation by the end of the year or forfeit program participation. To be clear, exemptions are only awarded if a project has encountered “external delays outside of the entity’s control.” The legislature has granted the Commission the authority to determine whether a developer qualifies for such an extension, which is then time-bound by the PUC. This section seems to question whether the Commission should have that authority in hopes of setting a timeline that ultimately cannot be met except if a project is already under construction.

- **Section 6** effectively ends all NEB for projects that do not reach commercial operation by October 1, 2025 in the Kilowatt Hour Credit Program while Section 12 does the same for the Tariff Rate Program, with no mention of a successor program. While Section 7 and 8 outline exemptions—consumer-owned small projects or single customer-owned onsite projects—this drastic change bans multiple eligible entities from program participation.

- **Section 7** effectively eliminates all power purchase agreements (PPAs) and third party financing of projects. Currently, affordable housing providers, non-profits, schools, municipalities, and small businesses utilize PPAs for program participation. With proposed changes in federal tax credits, this eliminates the only opportunity for tax credit monetization on small projects as investors can utilize the Investment Tax Credit to aid in project finance. Even more, the elimination of PPAs also blocks residential leasing, which Maine's Solar for All Program planned to utilize to serve low income customers around the state. Such a model would no longer be permissible. Finally, as there are no exceptions for the Tariff program, there will no longer be opportunities for small commercial customers to build onsite solar—projects that cannot participate in the Kilowatt Hour Credit Program due to rate design but may otherwise meet the Section 8 exemption.

- **Section 11** moves all Tariff Rate projects to a fixed rate of 9.5 cents per kWh with a 2.25% escalator. If a project is ultimately no longer financially viable, the project owner can petition the Commission for a rate adjustment. Let's be clear: moving to such a rate is too extreme of a change for the majority of projects to stay afloat. Projects would immediately face a 30-50% reduction in value. In 2020, when the program was established, Tariff rates ranged from 11.8 cents/kWh to 15.1 cents/kWh, and in 2021, they ranged from 11.9 cents/kWh to 14.8 cents/kWh. These projects were never modeled and financed to be able to maintain viability at a rate more than two cents below actual rates. It is important to remember that 9.5 cents/kWh is a gross rate—the owner shares value with the NEB credit recipient and this receives revenue less than 9.5 cents.

  This change would not only send nearly every entity to the Commission for a requested rate change, but it would decimate existing contracts and force renegotiation that would ultimately result in subscribers being dropped and potential bankruptcy for the asset owner should they not be able to recoup and cover their existing costs. Let's be clear that if system owners are put in the red, lenders will be unable to recover their loans as they will not be able to sell such an asset in a state that continues to change its policies repeatedly. The only remaining option to have any chance at loan recovery is to sue, putting the state at risk for covering the costs of both litigation and damages.

It goes without saying that repeal and retroactivity threatens the clean energy industry itself—the recently reported 15,000 jobs (and growing) here in Maine. Beyond developers, installers, and electricians, this also includes general contractors, environmental engineers, and businesses that benefit from construction in their community. ReVision Energy, for example, has worked with more than thirteen general contractors across the state, small and large, to build our clean energy future. Retroactive change not only directly threatens these jobs, but it threatens our state's ability to achieve its climate goals, too. Such a reversal would send a clear message to the solar industry and the broader clean energy industry that Maine is not a place to invest.

Lastly, we ask the Committee not to forget the economic investment that NEB has infused into the state. The Maine Renewable Energy Association completed an economic study with the

University of Maine in 2022 that estimated the total programmatic capital spending in Maine as a result of NEB was $542 million—this is on Maine-based labor, services, materials, and equipment for installed and planned capacity. This included 8,500 jobs per year, resulting in $230 million in direct earnings, garnering $29 million in state tax revenue. To be clear, at a time of economic uncertainty through a pandemic, the NEB program infused half a billion dollars in Maine's economy.

While we understand the Committee is considering programmatic changes this session, we do not believe that LD 1936—which suggests drastic cuts and policies unripe for implementation—is a bill to examine for contributions to such a compromise. Instead, we look forward to continued conversation with members regarding where changes could be made that would reap the highest amount of savings with the least amount of risk to our climate goals and clean energy economy.

Sincerely,

/s/ Lindsay Bourgoine

Lindsay Bourgoine
Director, Policy & Government Affairs
ReVision Energy