Natural Resources Council of Maine
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Testimony in Opposition to LD 1936,
An Act to Provide Greater Equity in and Reduce Costs Related to the State's Net Energy Billing Program

By Rebecca Schultz,
Senior Advocate for Climate and Clean Energy
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Senator Lawrence, Representative Sachs, and members of the Joint Committee on Energy, Utilities and Technology, my name is Rebecca Schultz. I am a Senior Advocate for Climate and Clean Energy at the Natural Resources Council of Maine (NRCM). NRCM is Maine's leading nonpartisan environmental advocacy organization with nearly 20,000 members and supporters statewide, on whose behalf I am testifying today in opposition to LD 1936.

The Net Energy Billing (NEB) program, which includes solar on people's roofs as well as community-scale projects, empowers people to invest in affordable clean energy technology. It is part of the portfolio of programs we need to support the development of Maine-based renewable energy to mitigate our dependence on volatile and expensive fossil fuels.

We share the sponsor's interest in reducing costs for Maine ratepayers, which have skyrocketed in recent years due to natural gas prices in the regional electricity market, and we firmly believe Maine should not be paying more to transition the economy away from fossil fuels than we need to. However, we have serious concerns with the overall approach that LD 1936 takes.

NRCM believes that any additional reforms to the NEB program should adhere to the following principles:

1) Result in significant ratepayer savings while **minimizing disruption** to the sector;
2) Focus on segments of the program where the **costs significantly outweigh the benefits**; and
3) Ensure a **successor program** for new distributed generation projects with significant clean energy and transmission and distribution (T&D) benefits.

LD 1936 does not appear to satisfy any of these principles.

Instead, the bill would impose drastic cuts to compensation for tariff rate projects, well below the 12 cents per kilowatt hour proposed earlier before the Committee by Senator Bennett's LD 1317. These changes would likely send a flood of affected projects to request waivers from the Commission, jeopardizing project owners and offtakers alike, while putting a large burden on the Public Utilities Commission (PUC), which would be charged with the formidable task of financially auditing projects to set compensation rates on a project-by-project basis.

The bill would also arbitrarily penalize out-of-state investment by requiring the PUC to set discriminatory rates for project owners that are registered in other states. Commerce clause violations aside, there's no evidence that projects owned by companies whose principal place of business is located outside the state of Maine are less favorable to ratepayers. This provision is not only likely unconstitutional, but it's also inconsistent with the

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stated objective of improving the cost-benefit ratio of the program on behalf of ratepayers ("ensuring a cost-to-benefit ratio for ratepayers as close to equal as possible").

Furthermore, LD 1936 would shut down nearly the entire program by imposing a deadline for commercial operation that's less than five months away, without any off-ramp to a successor program for these investments already made in Maine.

In closing, we want to emphasize that NEB has broad public support. Despite the scattershot of bills that this Committee has heard this session aimed at dismantling the state's community and rooftop solar programs, as a whole or in parts, public opinion in favor of policies that incentivize solar development and increasing renewable energy in Maine is strong and durable. With more than 110,000 participants statewide, the Committee should consider the level of disruption drastic changes like those proposed by LD 1936 would entail.

We do appreciate the bill's carve-out for community ownership and auto-enrollment for low-income assistance recipients to ensure wider access to the benefits of solar energy. We encourage the Committee to consider whether elements of these provisions can be worked into a compromise bill. But overall, we oppose this bill and urge the Committee to take a more strategic approach that balances disruption against ratepayer savings.

For the reasons articulate above, NRCM opposes this bill, and we urge you to vote **Ought Not to Pass on LD 1936.**

Thank you for this opportunity and for your consideration of these comments.