

Nexamp Testimony – LD 1936 Committee on Energy, Utilities and Technology Jake Springer May 13, 2025

Thank you, Chair Lawrence, Chair Sachs, and members of the Energy, Utilities and Technology Committee for the opportunity to submit testimony for this hearing.

I am testifying today in opposition to: **LD 1936 An Act to Provide Greater Equity in and Reduce Costs Related to the State's Net Energy Billing Program.**

Nexamp is a vertically integrated clean energy company with nearly two decades of experience in this region developing, constructing, operating and maintaining solar and energy storage projects. We are the long-term owners for all our projects, managing the assets through their whole lifecycle until decommissioning, and we work directly with the customers participating in our projects providing them a guaranteed discount on the credits they receive.

Nexamp has some 40 projects in Maine and through the Net Energy Billing (NEB) program we serve almost 20,000 customers in the state. In doing so we have invested hundreds of millions of dollars building these projects and upgrading the distribution grid infrastructure that supports the state. We are proud of what we have been able to build in Maine and to serve the Mainers who have chosen to participate in these projects. Our customers are Maine businesses of all sizes—including hospitals, breweries and ski areas—as well as municipalities and school districts. But the vast majority are residential customers who are saving on average \$232 each year by participating in one of our projects.

LD 1936 proposes substantial and damaging cuts to the current C&I Tariff rate program under NEB that would undermine existing projects and contracts. The credit values for Tariff rate projects, established in current law, are the critical underlying basis that projects have used to determine economic viability, arrange for financing, and to sign agreements with customers across the state.

In addition to retroactively undermining these projects, LD 1936 also proposes to create different sets of rules for projects owned by in-state versus out-of-state companies. The Committee should remember that regardless of the geographic location of the owners, all of these projects are located in Maine, the power they produce is consumed in Maine, all of the customers benefiting from participating are in Maine and the damage from these changes would be felt primarily in Maine. Regardless, this type of double standard impacting interstate commerce has been repeatedly found by the Supreme Court to be a constitutional violation and pursuing this approach would open the state up to litigation that it would more than likely lose. Criticizing out-of-state companies might make for good soundbites but it is poor public policy.

LD 1936 also proposes to require NEB projects to replace departing subscribers only with customers participating in LIAP, who would then participate on an "opt-out" basis. We appreciate the focus on bringing the benefits of these projects to LIAP customers and agree that an opt-out



style program may be a good option to serve these customers. However, the proposal in LD 1936 is not workable in our view, for several reasons.

First, opt-out participation simply does not work without consolidated billing. As currently proposed, LIAP customers would be signed up to an NEB project without their knowledge and then receive a bill from their project for their participation. Even though they would be receiving savings by participating, the confusion that would be caused makes for a terrible customer experience when the focus needs to be on improving it. Consolidated billing would remove the need to bill the customer directly and should be developed first before considering to an opt-out model. Second, a piecemeal, project-by-project and customer-by-customer approach would be complicated and cumbersome to implement. Establishing an opt-out program and then identifying the projects to participate in advance would be a better approach.

As this Committee knows, one of the state's highest priorities is mitigating the impact of climate change through adopting clean energy in the state. Amidst all the talk, goals, and reports, the NEB program has been a massive part of Maine actually walking the walk on this issue. For all the criticism, the NEB program has brought the substantial investments and progress the state has been waiting for years to achieve. Maine needs to continue to move forward in addressing our climate crisis but LD 1936 just relitigates the past.

We urge you to oppose LD 1936.

Respectfully,

Jake Springer Policy Director, East Coast Nexamp