

Testimony of Jeff Jones of Bangor - Neither For Nor Against (L.D. 1936) "An Act to Provide Greater Equity in and Reduce Costs Related to the State's Net Energy Billing Program" (SP0754)

Senator Lawrence, Representative Sachs and esteemed members of the EUT committee, I am Jeff Jones, and I live and work in Bangor. I am testifying Neither For Nor Against (L.D. 1936) because this bill has some good things in it but does not deal with the biggest problem of Net Energy Billing (NEB) and that is the hundreds of millions of dollars cost of the program to electric customers still far exceeds the benefits according to analyses from the MPUC and Public Advocate.

The program (as restructured a few years ago) provides windfall profits to developers<sup>1</sup> and creates a transfer of wealth that is inappropriate. NEB is a hidden tax on electricity. If our objective is to reduce carbon pollution, then we shouldn't tax what we want - clean electricity for efficient heating and transportation; but we should tax what we don't want – fossil fuels.

As an electric power engineer, I find it unreasonable to base compensation for intermittent solar generation that only operates an average of 15% of the time on the cost per kWh of the T&D system. That T&D system still must be in place to satisfy customer loads when intermittent plants aren't operating. And in my opinion needs to be more robust to handle two-way flows, thus any T&D benefits are questionable.

Costs and benefits to Maine customers would be much more in line if NEB credits were applied to supply charges only as is done in our similar neighboring state of New Hampshire, rather than like the more affluent states in southern New England. The biggest market value of clean intermittent power in New England is the offset of natural gas generation, worth about 4 cents per kWh last year. Then there is the peak shaving benefit to reducing capacity and regional transmission charges of maybe one cent. Loss benefits can be small, given that losses apply in both directions, but maybe another 0.1 cent of value. The difference between this 5 plus cents value and the 10 cents or so from the Standard Offer price would still be a significant subsidy. Maybe that could be a separately needed piece of legislation that would be a compromise to the complete elimination of NEB that you will consider in tomorrow's Work Session.

Thank you for your time and your public service.

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<sup>1</sup> Just an anecdote, but as part of my consulting work, modelling collector systems for interconnection studies, I had to follow up with four projects. The out-of-state developers were not taking my calls, but each had a Maine business address, and I think they still do. Those projects were all sold to NextEra, a Florida company. Even companies that I thought were local turned out to be backed by foreign investors, so I'm not sure if the Non-Resident term would have much effect.