



**Testimony in Opposition to LD 509**

**An Act to Amend the Net Energy Billing Laws to Require Net Energy Billing Credits to be Nonlapsing  
March 2, 2023**

Senator Lawrence, Representative Zeigler, and members of the committee, my name is James Cote and I am here today on behalf of Versant Power in opposition to LD 509.

As stated in the summary, this bill prohibits the expiration of unused kilowatt-hour credits accumulated by a residential customer participating in a net energy billing arrangement and strikes the provision that requires the Public Utilities Commission to adopt rules providing that unused kilowatt-hour credits must be applied for the benefit of participants in the utility's arrearage management program. The bill also prohibits the expiration of unused credits accrued by a commercial or institutional net energy billing customer.

Net Energy Billing (NEB) arrangements are designed to allow a customer to offset some or all of their electricity usage by self-supplying – whether on their premises or virtually as in the case of community solar projects – electricity. It is not uncommon for NEB customers to have a small number of unused credits at the end of a 12-month period which expire, given it is difficult for a customer or developer to exactly predict how much generation would completely offset a customer's usage if that is their goal.

The expiration, after a period of time, of unused credits is a common feature of NEB programs and is designed to send the appropriate incentive signals to customers and developers to "right-size" projects by ensuring they do not produce significantly more energy than a customer uses. Conversely, prohibiting NEB credits from expiring would send an incentive to customers and developers to oversize their projects and bank unlimited credits, ultimately shifting potentially significant costs onto non-NEB customers with no commensurate benefit to the NEB customer him or herself.

It is important to point out that Legislature recently directed that expiring credits should be used to fund the Arrearage Management Program (AMP), which enables customers with arrearages to have those balances forgiven over time so long as they continue to pay their current utility bills. Additionally, this legislative session, you have a proposal before you to utilize this same mechanism to partially fund the expansion of the LIAP program instead. These are reasonable policy concepts, which would be infeasible if NEB credits were prohibited from expiring.

Thank you for your consideration, and we would be pleased to provide more information for the work session at your request.