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Testimony of the Maine Public Utilities Commission
Neither for Nor Against
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 Honorable Members of the Joint Standing Committee on Energy, Utilities, and Technology (Committee), my name is Deirdre Schneider, testifying neither for nor against LD 509, An Act to Amend the Net Energy Billing Laws to Require Net Energy Billing Credits to be Nonlapsing.

Current law¹ and Commission rule, chapter 313 specify that unused net energy billing credits that remain at the end of any billing period may be carried forward for up to one year from the end of that billing period. This applies to both the kWh and tariff rate net energy billing programs. Requiring that credits expire encourages appropriate sizing of facilities and subscriptions.

If credits never expire, as proposed in LD 509, it may incentivize the installation of facilities that are larger than what is needed to meet that individual's needs. It may also negate the incentive for a subscriber to a distributed generation solar project to appropriately size their subscription to that project. Neither of these outcomes is good for consumers, as it means that they've built or subscribed to more electricity than they're using. The most consumer-friendly outcome is a properly sized solar project or subscription that ensures consumers receive a maximum benefit without incurring credits that ultimately will not be used.

As noted in our testimony on LD 417, expired net energy billing (kWh)² credits are used to benefit participants in an arrearage management program (AMP). In the first report of the Electric Ratepayer Advisory Council, it was recommended that these expired credits be used to fund the low-income assistance program, instead of AMP. The Commission notes that net energy billing programs result in ratepayer impacts and the Committee may want to consider if it is equitable to forego this source of relief for low-income customers.

I would be happy to answer any questions or provide additional information for the work session.

¹ 35-A M.R.S. § 3209-B(5)(C)

² 35-A M.R.S. §3209-A(8)