



# HOUSE OF REPRESENTATIVES

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April 13, 2023

Senator Lawrence, Representative Zeigler, fellow members of the Committee on Energy, Utilities, and Technology, I'm Steve Foster, Representative for House District 32, serving Charleston, Dexter, Exeter, Garland, Stetson, and a part of Bradford, here to present LD1347, "An Act to Eliminate the Current Net Energy Billing Policy in Maine".

I'll be brief and to the point. On June 17<sup>th</sup>, 2019, I stood on the House floor against the passage of LD1711, the bill that would greatly increase the amount of solar generation qualifying for Net Energy Billing in Maine. During that debate, I warned that "although it will likely be more, a contract price just 2 cents above the going market rate would result in estimated stranded costs of more than \$13M/yr for the 375MW and more than \$20M/yr for the estimated 800MW this bill would subsidize".

In 2020, the PUC reported they had halted the bid process for the first issue of NEB solar because of the high cost. By the fall of 2020, it was clear initial predicted extra costs to rate payers for NEB were well below what contracts would be awarded at. Prior to cloture for the 130<sup>th</sup> Legislature, various bills were submitted to curtail or suspend NEB. Because of the concerns raised by many, including the PUC and OPA, an EUT sub-committee was directed to consider all the bills and propose one to the committee that would help relieve the pending NEB costs to ratepayers.

The final bill put forth, exceeded what the minority sub-committee members could support. The bill was passed with only majority votes. My concern at the time was that the changes made would not decrease the total NEB solar generation and might even increase it.

On January 24<sup>th</sup>, 2022, the PUC reported to the committee that the current operating projects receiving NEB were having a ratepayer impact of "about \$24M/yr". They estimated 750MW of procurement would raise that to \$165M/yr with the new Standard Offer rates. They projected that if all projects including those with executed or pending NEB agreements came to operation, the cost of that 1,667MW would be \$366M/yr to rate payers.

Just last week, we learned that changes made in 2021 have provided the opportunity for contracts to shift to smaller projects of 2MW or less. As there's no cap on the total MW's allowed at this level, it's expected the total amount and thus costs to rate payers will exceed any previous predictions.

With extra costs of up to \$200M/yr., it is time this committee takes serious action in support of Maine's rate payers. Emergency bill LD1347 will do just that. Let's pass it, and end this Ponzi-like scheme which forces rate payers not part of NEB to pay for those who are and for the windfall NEB generation developers and investors are receiving. Grid scale project will fill the void created at rates we can better afford.

Respectfully submitted,  
Steve Foster  
State Representative