



Natural Resources Council of Maine

3 Wade Street • Augusta, Maine 04330 • (207) 622-3101 • Fax: (207) 622-4343 • www.nrcm.org

Testimony in Opposition to LD 1347, An Act to Eliminate the Current Net Energy Billing Policy in Maine

**To the Committee on Energy, Utilities and Technology
by Jack Shapiro, Climate and Clean Energy Program Director
April 13, 2023**

Senator Lawrence, Representative Zeigler, members of Energy, Utilities and Technology Committee, my name is Jack Shapiro. I am the Climate and Clean Energy Director at the Natural Resources Council of Maine (NRCM). NRCM has been working for more than 60 years to protect, restore, and conserve Maine's environment, and I'm here today on behalf of our 25,000 members and supporters to testify in opposition to LD 1347, An Act to Eliminate the Current Net Energy Billing Policy in Maine.

The broad concept of net energy billing (NEB), or net metering as it is sometimes known, is fairly simple. It allows utility customers to offset the electricity they draw from the grid with electricity they contribute to the grid through distributed generation. Originally conceived to allow fair compensation for rooftop solar installations, Maine and many other states have expanded the program to subscriptions to larger "community solar" projects and other business models.

The issue of what exactly fair compensation is for a given kilowatt-hour of electricity generation in a given place at a given time is a devilishly complex one. Distributed solar generation — and many other distributed energy technologies — come with significant benefits, including improved resilience, reliability, independence, equity, clean air, avoided infrastructure costs, avoided climate damages, and energy bill savings. These benefits don't all accrue to any one party and some vary based on location and time, making calculating these benefits tremendously difficult.

What is very clear is that increasing solar power generation in Maine should be encouraged. Solar power helps Maine meet its climate and clean energy goals and lessen the risks of dangerous climate impacts. Solar power reduces the money Mainers send out of state to pay for fossil fuels, and it reduces harmful price volatility. Solar energy creates jobs and economic activity across the state. While grid-scale solar comes in at the lowest cost, there is a strong policy rationale for allowing everyday Maine people, businesses, schools, and other institutions to invest and participate more directly in this technology. That's what net energy billing does.

We should not forget that Maine's solar policies as a whole have been extraordinarily successful at fostering the development of a solar industry in Maine. Solar has increased 700% since 2018, and nearly 25,000 Maine households and businesses — as well as municipalities, school districts, and others — participate in and benefit from various NEB programs.

Much has been said about the NEB program as it pertains to a subset of projects between two and five megawatts and the issues with that program that are specific to a further subset of those projects. To address this, the Legislature and this Committee have already reformed the program twice since it was created in 2019. First, via LD 936 in 2021, when the Legislature limited eligible projects to those in operation by 2024. Then via LD 634 in 2022, by capping compensation rates for projects. Just a few months ago, this Committee heard the final report of the Distributed Generation Stakeholder Group, including several cost-effective options for successor programs to the current mid-size distributed generation program.

The bill in front of us takes none of this into account. Not the policy rationale for enabling citizen and community participation in clean energy and climate solutions. Not the Maine companies that would immediately close and the Maine workers that would be immediately made unemployed if this bill was to pass. Not the fact that many of the large and scary numbers about the rate impacts of "Net Energy Billing" that have been presented to this Committee are misleading, based on scenarios that will never come to pass. Not the fact that it could expose the state to litigation. And certainly not the fact that it is our dependence on fossil fuels — especially high natural gas prices driven by Maine's exposure to volatile global markets — are what is actually driving high electricity bills.

We thank the Committee for this opportunity to testify and urge you to vote Ought Not To Pass on LD 1347, and I'd be happy to answer any questions that you have.

Thank you.