



53 Baxter Boulevard, Suite 202 | Portland, ME 04101  
Phone: 866-554-5380 | Fax: 207-775-5727 | TTY: 877-434-7598  
aarp.org/me | me@aarp.org | twitter: @aarpmaine  
facebook.com/aarpmaine | instagram.com/aarpme

**April 13, 2023**

## **AARP MAINE TESTIMONY NEITHER FOR NOR AGAINST**

### **LD 1347, An Act to Eliminate the Current Net Energy Billing Policy in Maine**

Good afternoon, Chairs Lawrence and Zeigler and honorable members of the Joint Standing Committee on Energy, Utilities and Technology. I am Alf Anderson, Advocacy and Outreach Director for AARP Maine.

AARP is a non-profit, non-partisan social mission organization with more than 200,000 members across the state. We work on a range of energy issues at the state level. The core principles we approach this work with include:

- Ensuring service affordability for all—utility rates should be based on prudent use of ratepayer money. Costs and savings should be distributed fairly among consumers. Households with lower incomes must be taken into account.
- Securing and expanding service access for all—all consumers should have access to utility services regardless of factors such as geography, race, ethnicity, and income.
- Improving quality—consumers should be able to rely on high-quality utility services.
- Enhancing accountability—any changes in utility service, policy, or rates should be open and transparent. The process should provide a wide range of opportunities for input from the public and independent groups.

AARP Maine has appeared on many occasions in the last several years to raise our concern about the excessive subsidies associated with Maine's Net Energy Billing (NEB) Program, particularly with respect to the expansion of this program in the statutory mandate adopted in 2019. In 2021 we supported reforms to that program that were not adopted. The predictions concerning the cost and bill impacts of the 2019 changes to the NEB program are now even more dire than previously thought. This program as currently mandated by statute threatens the affordability of essential electricity service for Maine's ratepayers.

Both the Public Utilities Commission and the Office of Public Advocate have documented that CMP and Versant Power's distribution customers will incur rate increases of \$200 million or more by 2025 if this program is allowed to continue in its current form. Chairman Bartlett of the PUC estimated in his presentation to this Committee last week that customers will pay approximately \$10 per month starting later this year and even higher monthly rate increases next year for stranded costs that are being driven primarily by the 2019 NEB statutory mandate.

While the program was designed to ensure that Maine will reach its climate goals and to incent the development of solar energy to replace natural gas and other carbon emitting fuels, the actual result will threaten Maine's move to electrification for home heating and transportation. High electricity prices from the Standard Offer (a program that also requires reform as we have proposed in an amendment to the pending LD 987) and the costs associated with the NEB mandate included in distribution rates will dampen customer interest in or their economic ability to switch to heat pumps and EVs.

And, most importantly, we can achieve our climate goals with less expensive solar by relying on competitive bids for power purchase contracts for solar resources at 2-4 cents per kWh compared to the over 20 cents per kWh being paid by ratepayers for this NEB program.

As we know, Maine can only regulate our distribution services and rates provided by our public utilities. Any subsidy mandated by the Legislature or Commission regulation is paid for in the distribution portion of our electric bill. We are now faced with NEB mandates that will exceed even the proposed base rate increases in proceedings pending before the PUC to maintain our customer service and reliability of service, key requirements for essential electric service. Maine ratepayers cannot afford the current version of the NEB program and we do not need this program to achieve our climate change goals.

In 2020 the Public Utilities Commission told this Committee that the NEB program as expanded in 2019 would threaten affordability of service and our ability to promote electrification:

In this Report, the Commission concludes that energy goals of increasing resource diversity through renewable resource generation, the promotion of solar generation and addressing climate change are promoted to a significant degree by the NEB program. The Commission also concludes that the current NEB program will result in substantial increases in electric rates. Such rate increase would have a negative impact on the State policies of promoting beneficial electrification and reducing oil dependence.<sup>1</sup>

\*\*\*\*

---

<sup>1</sup> Maine PUC, Report on Effectiveness of Net Energy Billing in Achieving State Policy Goals and Providing Benefits to Ratepayers, Presented to the Joint Standing Committee on Energy, Utilities and Technology (November 10, 2020), Page 2

Based on the most recent monthly NEB reports provided by the Central Maine Power Company and Versant Power, if the NEB projects with current NEB Agreements become operational, the cumulative total revenue/rate impact on transmission and distribution (T&D) rates would be approximately \$161 million annually. For Central Maine Power Company, the revenue impact of the currently pending NEB projects represents an overall T&D rate increase of approximately 21% and for Versant Power, an overall T&D rate increase of approximately 23%. Not all of these projects will necessarily be developed. However, there is another roughly equivalent amount of projects in the utilities' interconnection queues.<sup>2</sup>

AARP Maine supports cost effective and lowest cost renewable energy. However, the current statutory mandate for the NEB program should be reformed to focus on a realistic price for rooftop and community solar energy based on its value in the wholesale market. We urge this Committee to halt the current NEB program and ask that you delegate to the Commission the task to develop a cost effective and affordable NEB regulation to govern rooftop and community solar programs.

Thank you for your consideration of our views.

Sincerely,  
Alf Anderson  
Associate State Director, Advocacy & Outreach

---

<sup>2</sup> Ibid., Page 3.