



**Testimony Neither for Nor Against LD 1347**  
**An Act to Eliminate the Current Net Energy Billing Policy in Maine**  
**April 13, 2023**

Senator Lawrence, Representative Zeigler, and members of the committee, my name is James Cote and I am here on behalf of Versant Power neither for nor against LD 1347.

Versant Power agrees that absent policy changes, the cost of the current net energy billing program (NEB) will lead to significant affordability concerns for customers over the next twenty years. We were supportive of the Committee's efforts during the last legislature to design a successor program to NEB for larger projects and were pleased to have been active participants in the stakeholder process, which produced the recommendations with which you were presented earlier this year. As that report noted, not all stakeholders ultimately agreed with each recommendation, however, we believe the overall policy of transitioning the current NEB program toward a wholesale PPA structure that specifically targets benefits to lower and moderate-income customers is prudent and will realize many of the same benefits of NEB while reducing the cost to ratepayers.

As we have stated numerous times, Versant Power recognizes that we have an important role to play in helping the state achieve our shared climate and energy goals and are prepared to facilitate necessary implementation measures as efficiently as possible.

We agree with the growing consensus that, as a major policy regulating a dynamic and rapidly shifting energy landscape, the NEB program should be reevaluated to ensure it is striking the right balance of clean energy progress and customer benefit. As the committee debates this and future bills that would make reforms to the current NEB program, Versant Power offers the following for your consideration:

#### **Locational & Grid Dynamics**

Many NEB projects that are operational or are currently being constructed in Maine are located in areas far from existing load and in places on the electric grid that are relatively less robust. This dynamic leads to significant engineering challenges, and often significant cost to project sponsors, in order to safely and reliably interconnect these resources. When significant interconnection costs are incurred, those costs are ultimately passed onto ratepayers and so will lead to higher rates on the supply side.

Versant Power understands that hosting capacity data is an important tool for developers to site projects more strategically, where they may require fewer upgrades and result in lower costs. We have worked diligently alongside stakeholders to develop a hosting capacity tool, which was recently added to our website, and believe it will provide access to valuable data – a formal announcement of this tool will be made soon. At the same time, we would recommend that the locational value of projects on the grid – along with other siting considerations – should be an important factor that is evaluated as the Committee considers future NEB reforms.

#### **Customer Billing**

There is a considerable level of customer confusion and frustration when it comes to the billing associated with community solar projects eligible under the NEB program. Customers often call Versant Power with questions and confusion related to who is billing them, why they are being billed, rates, and other details associated with



their arrangements with a community solar provider. Versant Power always works to help customers navigate their way to answers where possible, but unfortunately, Versant is often unable to directly resolve customer concerns. We hope that recent changes Versant has made to our bill design – including a new specific bill for NEB customers – will clear up some confusion, but also believe a long—term solution that affords consumers the clarity and transparency they deserve – should be a part of any reforms.

Notwithstanding our concerns over the aggregate cost of the current program, and recommendations regarding locational standards, and customer billing, Versant Power believes there are commonsense policy adjustments that can be made to the NEB program that would be fair to project developers, help control costs for ratepayers, and improve customer experiences, short of outright program repeal.

We support a long-term solution that would reform this program with input from all stakeholders, which should not be mistaken for a solution that will satisfy all parties.

Thank you for your consideration and we would be pleased to answer questions or provide more information for the work session.