



STATE OF MAINE
PUBLIC UTILITIES COMMISSION

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Testimony of the Maine Public Utilities Commission

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 Distinguished Members of the Joint Standing Committee on Energy, Utilities, and Technology (Committee), my name is Deirdre Schneider, testifying neither for nor against LD 1347, An Act to Eliminate the Current Net Energy Billing Policy in Maine on behalf of the Maine Public Utilities Commission (Commission).

This bill repeals 35-A M.R.S. §§ 3209-A and 3209-B, which apply to the State's current net energy billing (NEB) program and eliminates the Commission's statutory authority to adopt NEB rules. During the 129th Legislature, substantial changes were made to Maine's NEB program. These changes included: (1) increasing the maximum capacity of eligible NEB facilities from 660 kW to less than 5 MW; (2) eliminating any limit on the number of meters or accounts that can be associated with an eligible facility (the prior limit was 10 meters or accounts); and (3) adding a "commercial and institutional" category of NEB (referred to as Tariff Rate NEB). In addition, the statute expanded the scope of NEB such that it allowed a distributed generation facility participating in NEB to be available to provide credits for subscribers, which was the first time that Maine was open for what is commonly referred to as "community solar." Subsequent to that legislation, the number of project sponsors seeking to develop and construct facilities that could be placed in NEB in Maine expanded significantly. To deal with some of the issues arising from this rapid influx of development of NEB projects, in 2021 the Legislature enacted further refinements to sections 3209-A and 3209-B, specifically requiring facilities seeking to participate in NEB to meet certain milestones for their development. The Commission has reported on the costs associated with the NEB program and the number and size of projects that are currently participating in NEB or are in development and construction and expect to participate in NEB.¹

In its current formulation, LD 1347 would have unintended consequences. As mentioned, LD 1347 would eliminate the Commission's authority to adopt NEB rules. The Commission notes that prior to the enactment of Public Law 2019, chapter 478, the Commission had in place NEB rules that focused on small renewable facilities located behind a customer's meter. The rules allowed for "traditional" NEB in which a customer would be billed on the basis of the difference between the kilowatt hours (kWh) delivered to customer by the T&D utility and the kWhs generated by the customer's facility that is delivered to the grid.

¹ Interconnection briefing - <https://www.maine.gov/mpuc/sites/maine.gov/mpuc/files/inline-files/Interconnection%20presentation%2004-06-23.pdf>; See also 12/01/21 - Presentation to the Committee on Energy, Utilities and Technology on Standard Offer and NEB, 04/01/21 - Presentation to the Committee on Energy, Utilities and Technology on NEB and 10/10/20 - Report on the Effectiveness of Net Energy Billing in Achieving State Policy Goals and Providing Benefits to Ratepayers that can be accessed here- <https://www.maine.gov/mpuc/legislative/reports>

The Committee may want to consider, if it pursues this bill, to maintain the Commission's authority to adopt "traditional" NEB rules, for example, by returning to a statutory cap on NEB facilities of 660 KW and limiting the number of meters or accounts that can be associated with an eligible facility to 10 meters. The Committee may also want to provide clarity on how this would impact current participants and projects under development.

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