



May 24, 2023

Senator Mark Lawrence, Chair
Representative Paige Ziegler, Chair
Committee on Energy, Utilities and Technology
100 State House Station
Augusta, ME 04333

Re: Testimony in support of LD 1986, “An Act Relating to Net Energy Billing and Distributed Solar and Energy Storage Systems”

Senator Lawrence, Representative Ziegler, members of the Energy, Utilities and Technology Committee:

My name is Jeremy Payne and I am a principal with Cornerstone Government Affairs Group here to testify in support of LD 1986 on behalf of our client the Maine Renewable Energy Association (“MREA”).

We applaud the sponsor for his efforts to continue moving forward with efforts to design a cost-effective, successor program to Net Energy Billing (“NEB”). LD 1986 instructs the Governor’s Energy Office (“GEO”) in consultation with the Public Utilities Commission (PUC) to design a program consistent with the recommendations of the so-called “DG 2.0 working group.” As this committee heard earlier this session, those recommendations envision a program design involving a competitive procurement process which provides \$2.77 of ratepayer value for every \$1 spent, according to Synapse Energy Economics and Sustainable Energy Advantage (the GEO’s consultants). This is a clear winner for consumers and provides clarity to companies whose companies are currently stuck in purgatory, a.k.a. the cluster study process. Further, as this committee knows, the existing NEB law requires projects to have achieved commercial operation by the end of 2024 – this effort would at the very least create an opportunity for any of those projects unable to meet the 2024 deadline to be able to bid for contracts through this successor.

The legislation also prioritizes a program design that will capture any and all federal funds, including, but not limited to, the EPA’s Greenhouse Gas Reduction Fund¹ -- the EPA program is designed to provide competitive grants to states, tribal governments, municipalities and non-profits to help build community solar projects to serve low-income and disadvantaged communities. This fund totals \$7 billion – without the passage of LD 1986, Maine would be leaving money on the table and ignoring tremendous consumer benefit.

We also support Section 3’s aims to better capture the costs and benefits of the NEB program during the PUC’s cost recovery calculation dockets.

¹ <https://www.epa.gov/greenhouse-gas-reduction-fund/about-greenhouse-gas-reduction-fund>

There is one area of concern/question – specifically, we are not sure what is meant by Section 2. We would be very concerned if this language may somehow lead to disqualifying the existing NEB contracts and output of resources built before November 25, 2019. We suggest the committee either delete this section entirely, or provide certainty of its intent and ensuring it does not interfere with the ongoing benefits these projects are providing to their offtakers.

We applaud Senator Lawrence's leadership on this effort and with the one clarification (or deletion) believe it is worthy of this committee's support.

We respectfully urge you to vote ought to pass.

Thank you.