

May 24, 2023

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

***Re: Testimony in Support of LD 1986***

To Senator Lawrence, Representative Zeigler, and Members of the Energy, Utilities and Technology Committee:

Please consider this testimony in support of LD 1986. The Coalition for Community Solar Access (CCSA) is a national Coalition of businesses and non-profits working to expand customer choice and access to solar for all American households and businesses through community solar. Our mission is to build the electric grid of the future where every customer has the freedom to support the generation of clean, local solar energy to power their lives. Through legislative and regulatory advocacy, and the support of a diverse coalition — including advocates for competition, clean energy, ratepayers, landowners, farmers, and environmental justice — we enable policies that unlock the potential of distributed energy resources, starting with community solar.

There are competing views on what should be done with Maine's solar programs, but the one piece that both sides agree on is that we should not leave hundreds of millions of dollars of federal funding on the table. LD 1986 appropriately makes obtaining that federal funding as the top priority and centerpiece of a new program going forward. The EPA Greenhouse Gas Reduction Fund (GGRF) established a new \$7 billion Solar for All program, a competitive grant program open to states to catalyze long-term scalable and sustainable rooftop and community solar programs in low-income and disadvantaged communities across the country. Our estimate is that Maine could be eligible for up to \$300 million dollars of funding through this program. Combined with the Low-Income Communities Bonus Investment Tax Credit (ITC), Maine has an unprecedented opportunity to expand distributed solar in low-income communities in a cost effective manner.

It is critical that Maine establishes the basic parameters of a program structure that is compatible with an application for federal funds. To provide a clear and compelling application and maximize the funds awarded, the state needs to show that it will have a clear legal and regulatory path to put the dollars to work. LD 1986 strikes the appropriate balance of providing enough certainty to submit a successful application with enough flexibility to ensure that the program structure meets the needs of the EPA funding application as well as the broader needs of Maine's electric system.

The DG Stakeholder Working Group was established by LD 936 to be the forum to consider necessary reforms to Maine's solar programs, and it is appropriate to utilize the progress that



group has already made on tackling those tough issues. The Working Group was inclusive of important stakeholders on the issue, including the renewable energy industry, the PUC, the OPA, IECG, the utilities, and environmental groups. With that stakeholder input, the GEO put forward a plan to continue solar development at maximum benefit to ratepayers. An analysis of the program design recommended by the working group report showed that the successor program would return up to \$2.77 for every \$1 invested. While we think there are a few important considerations left out of the working group recommendations, CCSA finds that the basic framework of the recommended program is a good solution for continuing distributed solar development in a cost-efficient manner.

Further, the DG Stakeholder Working Group report has been a signal to the solar industry on potential future program design. CCSA believes it is critical to enact an NEB successor program based on a framework that is already familiar to industry stakeholders because it will provide much needed guidance for project developers that are concerned about meeting impending deadlines to qualify for the existing NEB program. The reality is that the vast majority of projects in the pipeline will not be completed by the end of 2024 deadline instituted under LD 936. The sponsors of these projects will have to make decisions on whether to proceed with their development efforts, including whether to make significant payments for interconnection upgrades, purchasing long lead time equipment, and investment in local communities, and for many developers, these decisions need to be made in the coming months. Passing LD 1986 will provide these projects with an alternative to walking away from their investments altogether.

Finally, we think it is absolutely critical to review the manner in which NEB costs are analyzed and recovered from ratepayers. This Committee has had many conversations around the costs of the program, but the lack of complete and transparent information about the costs and benefits to ratepayers has been a disservice to legitimate attempts to address cost concerns. LD 1986 would make a few key logical improvements to solar program cost recovery. It would remove NEB cost recovery from "stranded costs", which are intended for an entirely different purpose, but have been the home for NEB cost recovery simply because there was no other apparent way to address them. It would require an annual accounting of not just the costs (i.e., lost revenues) the utilities incur, but also the costs the utilities are able to avoid because of the presence of solar on the distribution grid. And importantly, it would require the recovery of NEB costs on a retrospective basis for the previous year. CCSA views this last element as critical to ensure that ratepayers do not overpay for speculative costs that may ultimately vary significantly from initial projections.

For the reasons above, we urge the Committee to support LD 1986. Thank you for your time and consideration.

Sincerely,

Kate Daniel  
Northeast Regional Director  
Coalition for Community Solar Access