To: Joint Standing Committee on Energy, Utilities, and Technology From: Maine Solar Industry RE: The Future of Net Energy Billing Date: May 24, 2023

Dear Members of the Energy, Utilities, and Technology Committee,

We, the undersigned, are members of the business community in Maine's solar industry. We are writing to urge you to strongly reject proposals that retroactively harm our state's Net Energy Billing (NEB) program. As practitioners on the ground investing in and building the very projects that have and/or will ultimately become participants in the NEB program bringing economic development and low-cost energy to Maine, we respectfully ask you to consider our perspective.

First off, proposals that retroactively change long-term contracts signed by the State are deeply irresponsible and quite frankly should not even be on the table. The Office of the Public Advocate's (OPA) proposal hurts Maine's credibility as a place to do business and drives up the cost of everything from project financing to final electricity rates due to necessary additional risk premiums. We believe that even opening the door to reopen existing NEB contracts will result in any reasonable commercial actor to view Maine as an unreliable place to do business, which will not only harm our businesses, but could have significant ramifications beyond our own industry.

Fortunately, lowering costs and increasing benefits of a distributed generation solar program is already a shared goal of all parties, including our businesses. Even more, we are armed with the data and economic analyses' that showcase the opportunity we have to update our program to ensure net benefits to all ratepayers. We are committed to being a part of the solution. Last year, we came together to replace the Commercial & Industrial Program's tariff rate with fixed price contracts, which we believe was a good step.

While we certainly prefer not to do business in a constantly changing regulatory environment, we understand that to quickly build clean energy—a solution to reduce electric rates by harnessing homegrown renewable resources that provide net economic and environmental benefits in a world with a rapidly changing climate—we will need to iterate along the way. That's why we have come to the table year over year to work with the legislature to enact practical changes to better the program. This session, we call on you again to enact thoughtful solutions that move us forward, and to reject all proposals to retroactively damage or repeal NEB.

Beyond last year's tariff rate change, we believe there are additional opportunities to substantially increase ratepayer benefits within the existing framework without unilaterally upending the program or its existing contracts. We can settle energy against load rather than selling into the wholesale market, and we can capture the capacity value of solar, which today goes unmonetized. Even more, the 2022 DG 2.0 Stakeholder Working Group assembled by the Governor's Energy Office that included representation from our industry identified a program design that results in zero costs to ratepayers overall as well as affirmative benefits to low-income Mainers. We ask that you work together to implement these changes—while maintaining the status quo for all projects smaller than 1 MW or collocated with load—as well as enable our state to receive additional funding from the Inflation Reduction Act, rather than entertain proposals that move us backward. Thank you.

Signed,

Danny Piper, Owner Sundog Solar LLC Searsport, ME

Sam Zuckerman Maine Solar Solutions

¹ <u>https://www.renewablemaine.org/docs/Costs_and_Benefits_of_Net_Energy.pdf</u>, <u>https://legislature.maine.gov/doc/9388</u> (Page 37) Brunswick, ME

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Cc: Dan Burgess, Governor's Energy Office Hannah Pingree, Governor's Office of Policy, Innovation, and the Future Tom Abello, Governor's Office