

City of Portland | Sustainability Office

Troy Moon, *Director*

**To:** Senator Lawrence, Representative Zeigler, and members of the Joint Standing Committee on Energy, Utilities and Technology

**From:** Troy Moon, Director of Sustainability

**Date:** January 5, 2024

**Re:** LD 1465



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**Testimony in Opposition to LD 1465,  
"An Act to Amend the Calculation of Tariff Rates and Billing Credits Under Net Energy  
Billing"**

Senator Lawrence, Representative Zeigler, and members of the Joint Standing Committee on Energy, Utilities, and Technology:

I write to you in opposition to LD 1465, "An Act to Amend the Calculation of Tariff Rates and Billing Credits Under Net Energy Billing." Passage of this bill would negatively affect cities and towns in Maine by unraveling net energy billing agreements established in accordance with statutes and policies established by the Maine Legislature and undermine our ability to pursue renewable energy projects that could help us meet our clean energy goals.

Like many municipalities and school districts across the state, the City of Portland negotiated net energy billing contracts with solar developers to advance clean energy development in the state and to reduce the overall cost of electricity for municipal operations. One of the provisions in the net energy billing statute that made these agreements viable was the ability to offset demand charges as well as supply costs because demand charges account for a large portion of the electricity bill for many municipal buildings. The resulting savings associated with these long term, 20 year contracts have been incorporated into our municipal budget where they help reduce the overall cost to provide residents and businesses with vital municipal services. If LD 1465 passes it would disrupt our existing net energy contracts by retroactively removing all costs other than supply from the credit calculation. This would unfairly and detrimentally impact the City of Portland and all other municipalities, institutions, and businesses that have agreements with solar projects that have already been built and are generating renewable energy in the State.

We have followed changes to Maine's net energy billing laws during the past few years and recognize that the Legislature has the responsibility to amend laws and programs from time to time as circumstances change. While these changes have impacted some projects in the development phase, they have not disrupted projects that have reached commercial operation. Just last session the Legislature passed and Governor Mills signed LD 1986 that made

significant changes to Maine's net energy law. Importantly, that law grandfathered net energy billing agreements executed on or before December 31, 2023. We support staying the course with that law and ask the Energy, Utilities, and Technology Committee to vote that LD 1465 ought not to pass.

Thank you for your consideration.