



SOLAR ENERGY ASSOCIATION OF MAINE

Testimony in Opposition to LD 1465

An Act to Amend the Calculation of Tariff Rates and Billing Credits

Under Net Energy Billing

Steven L. Weems, Board Member, Solar Energy Association of Maine

President, Dirigo Community Solar Group

To the Joint Standing Committee on Energy, Utilities, and Technology

January 9, 2024

Senator Lawrence, Representative Zeigler, and other distinguished members of the Joint Standing Committee on Energy, Utilities, and Technology: my name is Steve Weems, Board Member of the Solar Energy Association of Maine (SEAM); also founder and President of Dirigo Community Solar Group (Dirigo CSG), a nonprofit association of 14 small, member-owned community solar farms. We arise to emphatically oppose LD 1465.

Consistent with a short legislative session, we'll summarize our dismay about the potential effects of this bill succinctly.

- It would be fundamentally destructive to the many customers of the net energy billing segment of the distributed energy resources electrical system, whether they are commercial, institutional, small business, or residential, particularly those who own their solar equipment, by changing the value of their investments retroactively. This includes member-owned community solar farms.
- It would be fundamentally unjust to the commercial solar industry that has already invested substantially in net energy billing (NEB) projects in Maine, because it's retroactive elements do not distinguish between built and new

projects. This was extensively debated and a reasonable outcome reached in the 2023 session of the legislature.

- It would be just as destructive to the concept of encouraging very small distributed solar energy resources, in the very limited space for new NEB projects resulting from legislation enacted in 2023 (i.e., LD 1986). These small projects (1 MW or smaller in size) have a limited dollar impact on ratepayers and are the backbone of the local Maine solar industry.
- It ignores the full range of true benefits and costs of distributed solar generation (including NEB projects), which also were discussed extensively and a process to take these costs and benefits codified in 2023 legislation. A more detailed and documented understanding of these costs and benefits is a prerequisite to making and fair and reasonable changes to NEB credit rates.

Basically, the NEB segment of the distributed energy resources business was drastically curtailed by LD 1986, as enacted and signed into law last year. This new law contains many constructive changes to move Maine toward a more rational clean energy future, based on a clearer, more explicit understanding of the true benefits and costs of distributed energy resources. It is sensible to see how this plays out before considering further basic changes to the economics of net energy billing, as contemplated in LD 1465. This is especially true considering the drastic changes written into LD 1465, and how badly this kind of retroactive change would hurt the many Maine companies, municipalities, and individuals who have invested in existing projects in the NEB space.

For these reasons, among many more, SEAM and the 125 or so members of the Dirigo Community Solar Group (no affiliation with Dirigo Solar) urge the Committee to report out LD 1465 with an Ought-Not-to-Pass report.