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THE MAINE SENATE
132nd Legislature

**Presenting L.D. 32 "An Act to Repeal the Laws Regarding Net Energy Billing"
Before the Joint Standing Committee on Energy, Utilities and Technology
Thursday, February 27, 2025**

Senator Lawrence, Representative Sachs, and members of the Joint Standing Committee on Energy, Utilities and Technology: I am Senator Stacey Guerin and I represent District 4, which includes all of Piscataquis County and 11 communities in Penobscot County. Thank you for allowing me to present L.D. 32 *An Act to Repeal the Laws Regarding Net Energy Billing*

A job-killing solar tax. That is what many companies across our state are calling Maine's solar development subsidy program, otherwise known as Net Energy Billing. Since its rollout in 2023, and more so last year, the chorus of businesses that are now faced with tens of thousands – if not hundreds of thousands – of dollars in additional power costs is loud. The voices of residents who must pay hundreds of dollars per year are also clear. What my constituents and many other residents and businesses across the state are saying is they already have a hard time keeping the lights on. They cannot afford the increases to their electric bills caused by this solar tax. What I'm hearing is it's time to fix the mistake we as the Legislature made in the original enactment of LD 1711 in 2019.

Clearly, we meant well. We all care about our environment and want to generate the power we need the cleanest way possible. But little did we know we would follow in the footsteps of California, a state that has had its own years of strife and division with their version of net energy billing that they call net metering. As ours began to ramp up in earnest here in Maine, California finally chose to end theirs in 2023. Even for Californians, I guess enough was enough. Why the change of heart in California? Well, their Net Energy Billing program went from \$3.4 billion per year in 2021 for ratepayers who don't have solar to \$8.5 billion in 2024. Yes, that's billion with a "B." And yes, it more than doubled in just a few short years.

Unfortunately, we're facing the same fiscal mountain here in Maine. About \$123 million has already been approved for recovery by the Maine Public Utilities Commission. Yet our outgoing Public Advocate Bill Harwood told the Legislature that we'll be on the hook for nearly double that for the next 20 years. That's \$4.4 billion, billion with a "B." Simply put, it grew too large, too fast.

Aside from the financial ruin this program is poised to cause and is already causing, it's also a matter of fairness and equity for many of our middle-class families. Net Energy Billing shifts development costs to non-solar customers. Guess what? Everybody in this room is paying to own solar even though you may not own it. NEB creates a situation where those who invest in solar panels receive significant credits for the excess energy they produce,

effectively shifting the cost of maintaining the grid to those who do not have solar. This is unfair, as all ratepayers should contribute to the grid's infrastructure. Businesses are shouldering a disproportionate share. Businesses, particularly energy-intensive ones, have experienced substantial increases in electricity costs due to NEB. Some are reporting costs increasing by \$600,000 or more. This negatively impacts their competitiveness and has already led to business closures and job losses.

The Milo Chip Company, a Maine-based business in my district, saw a significant increase in energy costs due to NEB and is struggling to survive. Robbins Lumber in Sanford closed and laid off 35 employees, citing the rising cost of electricity and the new paid family medical leave program tax. We keep hearing of restaurants closing nearly every day, much like Margarita's in Orono over the weekend. Bobby Ade, owner of Pats Pizza in Milo and Dover-Foxcroft has submitted testimony explaining how these subsidies have nearly doubled his electric bills.

This unfairness hits lower-income households ever harder. The cost increases associated with NEB disproportionately impact low-income households who are less likely to be able to afford solar installations. They are essentially subsidizing the energy costs of wealthier homeowners, all while paying the sixth-highest rates in the nation. It also reduces the incentive for energy efficiency. With NEB, there's less incentive for solar customers to conserve energy since they are compensated for the excess energy they produce. This can lead to higher overall energy consumption. Wall Street and out-of-state developers benefit financially. While homeowners and businesses who have invested in solar panels directly benefit from NEB through significant credits on their electricity bills, solar installers and developers from outside of Maine are the primary beneficiaries of our overly generous subsidies. Maine's people are not receiving that \$4.4 billion in subsidies. Chinese-made solar panels should be concerning for all of us. A significant portion of solar panels used in Maine are manufactured in China. The environmental impacts and longevity of viable solar panels are yet to be seen and may very well cause a negative environmental impact in the future.

I mentioned earlier about the chorus of constituents who call this nothing but a solar tax – a job-killing one at that. That chorus has grown louder. It's grown clearer. And now, it's approaching a deafening roar. Let's not make the same mistake California did. We are still in the driver's seat here, but time is running out.

Make no mistake – we risk collapsing our entire economy if we don't act to reverse this program. Another round of solar subsidies hits ratepayers in July, and it may be the worst round yet. For many businesses, that may be the final nail in their coffin. Again, I ask you to vote in favor of this bill and put an end to Net Energy Billing.

Thank you for your time and consideration.