



Senator Mark Lawrence
Representative Melanie Sachs
Joint Committee on Energy, Utilities, and Technology
Legislative Information Office
100 State House Station
Augusta, Maine 04333

February 27, 2025

Testimony re: LD 32, "An Act to Repeal the Laws Regarding Net Energy Billing," LD 257, "An Act to Eliminate the Practice of Net Energy Billing," LD 450, "An Act to Lower Electricity Costs by Repealing the Laws Governing Net Energy Billing," and LD 515 "An Act to Reverse Recent Changes Made to the Law Governing Net Energy Billing and Distributed Generation" from ReVision Energy

Senator Lawrence, Representative Sachs, and Members of the Joint Standing Committee on Energy, Utilities, and Technology:

ReVision Energy respectfully submits this testimony in opposition to the four bills before you today. As you know, ReVision Energy was founded in Liberty, Maine in 2003 and today boasts 225 co-owners across the state in our Montville and South Portland locations. We are a certified B-Corp, 100% employee owned clean energy construction company, specializing in residential, community, and commercial solar, as well as storage, EV charging, and heat pumps. Our mission is to make life better for all Mainers by building our just and equitable electric future. Given our experience installing hundreds of distributed generation solar projects across the state—from 5 kW to 5MW, we are present today to speak to our state's net metering program, Net Energy Billing (NEB), which enables our customers to be compensated and credited for the power they produce.

We believe that we are gathered here today due to a false narrative that has spread rapidly blaming solar energy for Maine's rising electricity rates. This premise is simply not true. Solar energy is delivering real, tangible benefits to Mainers that exceed program costs. The actual culprits of our sky high electric bills are the rapidly increasing cost of fossil fuels, massive bills for storm damage, and most recently, rising transmission and distribution costs. The truth is that our state's NEB program yields higher benefits than costs and not only results in lower overall rates but also provides energy security, lower carbon emissions, a more efficient electrical grid and protection from volatily priced fuel sources.

The current narrative is largely because some ratepayers have seen inequitable increases on their electric bills due to the way the NEB program costs are recovered, and we do not disagree. This is a rate design problem, not a flaw in NEB. The inequitable rate design absolutely should be fixed. But that is no reason to scrap the entire NEB program – which would do more harm than good.

A repeal or retroactive change to the NEB program, as these legislative proposals suggest, will financially harm the more than 110,000 participants in the state—our municipalities, schools, special districts, hospitals, affordable housing, nonprofits, businesses, and residents—the thousands of Mainers that made a non-political decision to invest in more stable, predictable energy prices. To entirely strand such investments is unprecedented nationally.



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Instead, we believe there are many logical steps the Committee and the administration can and should take immediately to address rate inequality, benefit low-income Mainers, and avoid putting our state's energy independence in jeopardy.

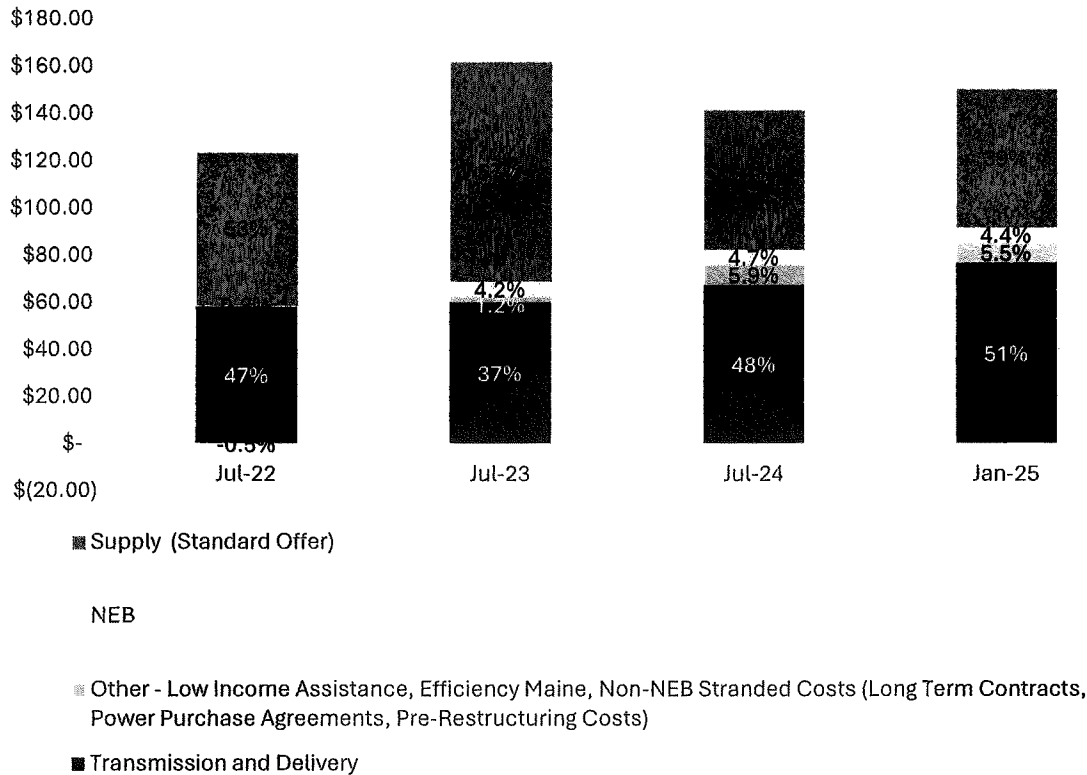
Solar energy is not the primary driver of our rising electricity rates—in fact, it is a viable solution to advance our state's clean energy transition that also helps solve the next challenge we will face: meeting rising electricity demand with sufficient growth in clean generation, all while providing net benefits.

I. Factors Driving Electricity Price Spikes

We sympathize with the fact that Maine families are understandably concerned about the price of electricity today as it is, in fact, what motivates so many of our customers to minimize their exposure to the volatile pricing of natural gas. As you know, the price of fossil fuels is responsive to global markets in which Maine itself has no control. The volatile price of natural gas is, in fact, the primary driver of Maine's rising electric bills.

In 2024 and 2025, 10% of the typical household's monthly electricity bill reflected costs other than those of electricity supply, transmission, and distribution. This line item covers a variety of financial responsibilities, programs, and policies including stranded assets from deregulation, payments made to shuttered facilities such as Maine Yankee, low-income assistance programs, Efficiency Maine funding, long term contracts, and power purchase agreements. Less than half of that amount—less than 5% of the typical household's monthly electricity bill—goes to our state's NEB program, which is proven to save ratepayers more than it costs. The vast majority of the costs represented on our electricity bill go toward funding two remaining items: supply (the power purchased to provide us energy, namely natural gas generation) and transmission and delivery (the cost to deliver the power to our homes). In 2023, supply was responsible for 60% of the costs on our bills—12 times the impact of NEB. And in 2025, transmission and delivery has risen to be responsible for 51% of our bills—10 times the impact of NEB (largely due to an influx in storm recovery costs and increased transmission rates). Let's be clear: we are scrambling to potentially scrap a critically important program in our state over the fact that it represents less than 5% of our electric bills. At the same time, we appear to be giving items with 12 times the impact a pass.

Typical Household's Monthly Bill - Statewide Average
(Residential customer using 550 kWh/month)



**This chart is based on CMP and Versant annual stranded cost reconciliation filings, T&D rates effective following the Jul 2022, Jul 2023, Jul 2024, and Jan 2025 price changes, and annual average standard offer rate for small classes. Statewide average calculated by Rate A customer count. Note that this chart does not account for NEB Program benefits described in the Public Utilities Commission's Report to the Legislature available here, which explains that every \$1 of program cost delivers \$1.23 of program benefit.*

To illustrate this point, in July 2024, the Maine Public Utilities Commission (PUC) announced a rate increase specifically due to stranded cost recovery. Headlines around the state read that solar was responsible. However, more than 65% of the increase was due to storm recovery—the cost to repair power lines damaged during severe storms, which are predicted to increase in frequency and intensity due to damage done by the continued burning of fossil fuels. Less than 21% of the rate increase was due to Net Energy Billing. Again, we appear to be falling victim to headlines and doing a disservice to Maine ratepayers by turning a blind eye to the actual causes of our rising rates.

Further, a July 2024 report from Energy Innovation evaluated rising electric rates nationwide, finding “the biggest culprits behind rising prices include fossil fuels and the climate change impacts they cause, not clean energy.” Importantly, they point out that “in fact, states with high levels of wind and solar generation like Iowa, Oklahoma, and Texas, have experienced the lowest rate increases.” One could assume then, that states like Maine, Massachusetts, and other New England states growing their renewable portfolios should see similar results, however, Energy Innovation finds that the region’s reliance on one specific fossil fuel—natural gas— has rapidly driven up costs despite investment in clean energy generation. The authors point out that

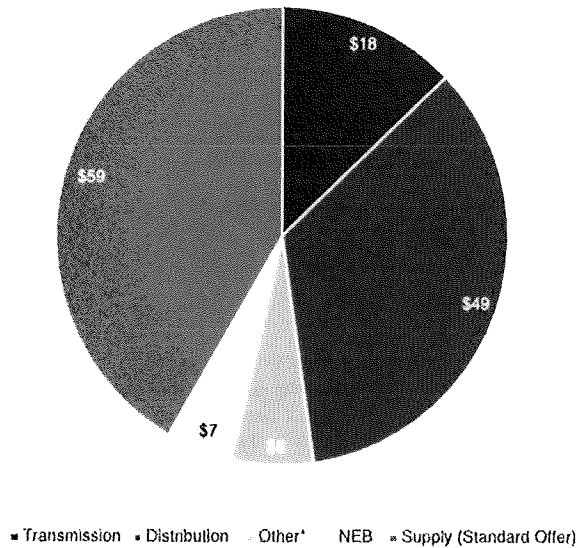


geopolitical uncertainties, extreme weather, and other factors drive significant swings in natural gas prices, and unfortunately, consumers bear much of the risk of price spikes. Until New England can significantly move away from natural gas and transition to more stable, predictably priced energy, our bills will continue to rise.

Energy Innovation’s report also points out that transmission and distribution costs are rising nearly twice as fast as inflation. Here in Maine, 13% percent of the average household electricity bill in 2024 was attributed to transmission costs, resulting in an \$18/month charge as compared to \$7/month for NEB. Just a year later, in 2025, transmission costs have risen to now account for 18% of the average residential bill—\$26.50/month as compared to \$6.50/month for NEB.

Solar is not the primary driver of our increasing electric bills. Solar is being used as a scapegoat.

Typical Household Monthly Bill Under 2024 Rates
(Rate A using 550 kWh/month)



**This chart is based on CMP and Versant annual stranded cost reconciliation filings, T&D rates effective following the Jul 2022, Jul 2023, Jul 2024, and Jan 2025 price changes, and annual average standard offer rate for small classes. Statewide average calculated by Rate A customer count. Note that this chart does not account for NEB Program benefits described in the Public Utilities Commission’s Report to the Legislature available here, which explains that every \$1 of program cost delivers \$1.23 of program benefit.*

II. NEB Program Benefits

In 2024, thanks to legislative efforts by this body in 2023, the PUC released the first ever independent economic accounting and analysis of the benefits of the NEB program. The report, prepared by Sustainable Energy Advantage, concluded that the costs of the 2023 program were \$130 million, while the benefits were \$160 million. The bottom line? Benefits outweigh costs. For every \$1 invested in Maine’s NEB program, \$1.23 in benefits are returned.

As the Committee considers repealing the NEB program and thus alienating the benefits it provides, we believe it is critically important for all decisionmakers to have a tangible



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understanding of programmatic benefits. The SEA report accounts for many types of benefits, including Renewable Portfolio Standard cost reductions, energy resale revenue, energy price suppression, capacity benefits, reliability benefits, transmission and distribution system benefits, and environmental benefits. The SEA report does not cover additional indirect benefits, including capital investment and clean energy jobs, which we will discuss in a later portion of this testimony. In an effort to ensure these benefits are clear to you, as decisionmakers, we have included a brief overview of each benefit:

- **Renewable Portfolio Standard (RPS) Cost Reductions**
 - Behind the meter (BTM) energy generation acts as a load reducer, therefore decreasing the total annual retail sales from which RPS compliance obligations are calculated—so BTM projects reduce total RPS compliance costs.
- **Energy Resale Revenue**
 - Tariff NEB projects can serve as generators in the wholesale electricity market. The sale of the energy that these projects generate provides revenue to the utility.
- **Energy Price Suppression**
 - Energy price suppression refers to the fact that a large influx of power to the electricity grid drives down wholesale electricity prices. This includes Demand Reduction Induced Price Effects (DRIFE), in which renewable resources with low marginal costs, like solar, drive down prices by shifting the supply curve, and Renewable Energy Certificate (REC) Price Suppression, where an additional supply of Class I RECs into the regional market can suppress REC prices, reducing the costs of meeting RPS obligations.
- **Capacity Benefits**
 - Capacity benefits refer to the fact that solar can add significant generating capacity to the power grid, particularly during peak daylight hours. There are multiple different types of capacity benefits that deliver value to Maine ratepayers. The SEA report highlights Capacity Buyout Revenue (when project owners purchase capacity rights from the utility and the benefits directly flow to ratepayers), Uncleared Capacity (which lowers electricity costs by reducing the amount of capacity required in future auctions to secure sufficient resources for the region), and Reduced Share of Regional Capacity Costs paid for by Maine (distributed generation lowers peak energy consumption that determines the allocation of these regional costs).
- **Transmission & Distribution System Benefits**
 - The increase in distributed generation brings with it significant benefits for our transmission and distribution grid. This includes Avoided Transmission and Distribution Investments, where distributed energy resources delay or avoid the need for grid investments, Avoided Transmission and Distribution Line Losses, where avoiding the transfer of energy across transmission and distribution lines (by instead producing it locally) reduces lost energy associated with transfer, and the reduction of Regional Network Service transmission costs paid for by Maine due to the reduction in demand during the monthly peaks used to assess this charge.
 - Additionally, NEB customers are very often required to fund system upgrades to the distribution or transmission system to facilitate interconnection. These investments deliver shared benefits as many of these upgrades would have eventually been



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required and paid for by ratepayers. In this regard, NEB participants are directly offsetting ratepayer costs.

- Reliability Benefits
 - Renewable energy provides multiple benefits that increase reliability. Such resources are critical to maintaining resource adequacy in the long term, as there is an unlimited supply of renewable energy resources, unlike fossil fuels, which are a finite resource. Renewable resources also play an important role in supporting system reliability during periods of strain on the grid. For example, solar resources can reduce peak load during extreme heat events when demand for air conditioning is at its highest.
- Greenhouse Gas & Environmental Benefits
 - Last but not least, renewable energy is carbon free, therefore reducing the greenhouse gas intensity of energy consumed, and ultimately lowering climate pollution. This can have major economic benefits given the cost implications from the carbon pollution damage. The same goes for non-carbon pollutants such as nitrous oxide, which has negative consequences on air pollution and thus results in increasing costs as well.

While some of these benefits are direct (ex. energy resale), many result in avoided costs—the cost savings ratepayers or a utility experiences because the NEB program lowers both the cost of energy and transmission and distribution costs. Maine’s electric rates would absolutely be higher without solar, and the energy produced in Maine’s NEB program—by more than the extra stranded costs.

It should be no surprise to this Committee that we are in a time in which we face unprecedented load growth that we can and should be planning for right now. Maine is already a leader in heat pump adoption, and the continued electrification of buildings and transportation is expected to drive a doubling in electricity demand in Maine by 2050, as described in the technical analysis underlying the “Maine Energy Plan” submitted to this committee by the Governor’s Energy Office. Indeed, the US Department of Energy predicts that electricity demand is expected to increase 20% in the next decade. To maximize the benefit of this electrification to the state, we need to ensure the availability of sufficient clean generation to maintain a reliable and affordable grid. Put simply, Maine needs as much capacity as possible to meet expected load growth, and the investment in new generation enabled under our NEB program has been answering that call. We urge the legislature to center this reality in its decisions today instead of focusing efforts on repealing and stranding energy resources that will inevitably exacerbate the challenges of the future.

III. Rate Design

The conversation around NEB program reform has featured multiple businesses who have seen massive increases on their electric bills due the manner in which stranded costs are currently recovered. In fact, ReVision Energy has experienced this itself. We do agree with those raising alarms that the current cost recovery methodology is inequitable, but we disagree that poor rate design is a valid reason to scrap the entire program.

To take a step back, the PUC found that given the long list of benefits explained above, all ratepayers benefit from the State’s policies on climate change and beneficial electrification,



including the NEB program. Specifically, the Commission has found that non-NEB participants benefit from the program due to reduced supply costs. This is the reason why all ratepayers contribute to supporting the NEB program—the PUC made the determination to recover costs from all ratepayers. Essentially, ratepayers are contributing to the benefits received, as again, without solar, electric rates would be even higher.

In an order issued in April 2023, the PUC changed its methodology for recovering such costs, with these changes reflected on CMP bills in July 2023 and Versant bills in July 2024. The slower rollout of this change in Versant’s service territories explains why some businesses just recently started seeing a major change on their monthly electricity bills. In its April 2023 decision, the PUC moved away from a longstanding volumetric methodology for recovering certain stranded costs, including those associated with NEB, and instead implemented a fixed charge rate design to recover those costs. This new approach to recovering stranded costs unfairly penalizes the lower-usage customers in all rate classes. We disagree that this is an appropriate rate design and believe that if costs are not recovered volumetrically, they must at least be recovered through a hybrid approach that combines fixed and volumetric charges.

In fact, the solar industry raised this point very directly in CMP’s Stranded Cost Recovery Docket (2024-00015) in front of the Commission in early 2024. While the PUC agreed the current rate design was inequitable to certain ratepayers, they chose to open an entirely new docket (2024-00137) to address the issue, which is currently ongoing. The solar industry is again active in the docket, advocating to advance equitable rate design.

In the new docket, we have been vocal that one major problem with current rate design is that it allocates costs volumetrically by class, but then within the class (intra-class), costs are assigned through a fixed charge. Therefore, one larger consumer in a class of few other ratepayers could attract an inordinate amount of stranded costs to the class, which are then paid for in fixed rates by lower-usage customers. Some businesses, therefore, may be charged exorbitant stranded costs solely by virtue of another class member’s high usage. This effect appears across the rate classes but is most pronounced in those rate classes serving large commercial and industrial entities. For example, one such customer was quoted discussing a \$6,000 monthly fixed charge for stranded costs. Based on their total usage, under a 100% volumetric rate design, they would instead pay an amount more like a \$695 monthly charge—a rate reduction of 90%.

While these stories are extremely compelling and should be addressed as soon as possible, it is important to put them in context. Analysis presented in a continuing investigation into stranded cost rate design (2023-00230) showcased that the largest rate classes, which have seen outside impacts of the switch to a fixed charge rate design, contain a small number of customers. For example, six of the largest rate classes across both utility territories serve about 130 total customers. About 100 of those customers were found to pay more stranded costs under fixed charge rates than the previous volumetric rates. Resolving inequities in the recovery of stranded cost charges is critical, but we find it entirely inappropriate to consider repealing the NEB program and stranding the investments of 110,000 Mainers and Maine entities over a rate design that has produced disproportionate impacts to the electricity costs of a fraction of that number.

Fortunately, we remain fully confident that we have the tools to implement a fair and equitable rate design, and that we should not scrap the NEB program over the fact that some ratepayers are



impacted at higher levels than others. This is not a program design issue—it is a rate design issue, which we and others are committed to resolving at the PUC as soon as possible.

IV. Impact of Repeal & Retroactive Proposals

Finally, we urge the Committee to evaluate the real impact of the legislative proposals before you today, which essentially repeal the opportunity to net meter in our state. To begin, we remind the Committee of the legislative history of NEB. In 2019, the 129th Legislature passed a bipartisan law to encourage clean energy development after nearly a decade of inaction regarding clean energy proliferation. The legislation expanded the state's Kilowatt Hour Credit Program and enacted a Tariff Program, both programs enabling utilities to compensate customer-generators for power produced and distribute it across Maine's grid. NEB enables multiple technologies, including solar, hydroelectric, biomass, geothermal, wind, fuel cell, and tidal energy. Just as utilities purchase electricity from a power plant to sell to customers, net metering enables a mechanism for distributed customer-generators around the grid to be compensated for the energy they produce.

At the point of program establishment, the compensation for energy produced for NEB was tied to standard offer rates. Shortly after, natural gas rates spiked due to global supply constraints stemming from a global pandemic and Russia's invasion of Ukraine, and therefore NEB compensation rates jumped too. The program performed as designed. The 130th Legislature recognized this issue and acted, passing two pieces of legislation to reduce compensation rates on a forward-looking basis, as well as significantly curtailing project size. The 131st Legislature continued to narrow the program, effectively ending the Tariff program in 2023 and sunseting new large projects within the Kilowatt Hour Credit Program in 2024. NEB today, therefore, is a significantly smaller program than it was in 2019—both in project eligibility and in compensation rates.

Today, you are asked to consider eliminating our state's NEB program entirely. LD 32, 257, and 450 all propose elimination of all statutes under Title 35-A that mention NEB, adding new law that "the Commission may not by rule or order require a transmission and distribution utility to allow a customer to participate in Net Energy Billing," defining NEB as the ability to receive a bill credit or 'adjustment' for the delivery of electricity to the power grid by that customer-generator.

There are thousands of solar NEB generators in Maine today, each of whom made significant investments in clean energy - at the state's invitation. If these bills were enacted, overnight these customers would be disqualified from net energy billing due to the nullification of the Commission's chapter 313 rules that enable NEB and would receive no compensation for energy produced and sent to the grid. Instead, they would be providing power to the utilities for free - and leaving customers with stranded assets that will never get paid back.

Even more, the legislation appears to alter current tax law to ensure that any facility without 100% onsite energy consumption would be subject to real estate and property taxes. The legislation codifies the practice of stranding assets and then charging taxes in addition to the taking of energy production.

Such retroactive changes, or all out repeal, will financially harm the investments more than 110,000 NEB program participants have made. This includes the municipalities, school districts,



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special districts, nonprofits, hospitals, affordable housing entities, small businesses, and residents that made the choice to invest based on energy affordability, not because of politics. For example, many of the projects within the Tariff Rate Program are designed in a way that the offtaker—the entity utilizing the energy—assumes the rate risk, not the investor. These customers are constituents in communities across the state—they are town managers, superintendents, hospital directors, affordable housing developers, and small business owners—they will be left to address an acute, immediate budget shortfall, which in some cases, falls on taxpayers.

Even more, we find it deeply concerning that these proposals suggest repealing the Kilowatt Hour Credit Program. In SEA's report, they note that this program makes up 88% of total NEB capacity, and Mainers are receiving significant benefits for this program. In fact, this program was responsible for less than 25% of total program costs, while delivering benefits at nearly a 2:1 benefit cost ratio due to the treatment of generation as a load reducing resource.

It goes without saying that repeal and retroactivity threatens the clean energy industry itself—the recently reported 15,000 jobs (and growing) here in Maine. Beyond developers, installers, and electricians, this also includes general contractors, environmental engineers, and businesses that benefit from construction in their community. ReVision Energy, for example, has worked with more than thirteen general contractors across the state, small and large, to build our clean energy future. Retroactive change not only directly threatens these jobs, but it threatens our state's ability to achieve its climate goals, too. Given that only one other state has ever passed such retroactive policy change in this regard, such a reversal would send a clear message to the solar industry and the broader clean energy industry that Maine is not a place to invest. Perhaps that is the intent—to stall our clean energy transition, but we remind the Committee not to forget the economic investment that NEB has infused into the state.

The Maine Renewable Energy Association completed an economic study with the University of Maine in 2022 that estimated the total programmatic capital spending in Maine as a result of NEB was \$542 million—this is on Maine-based labor, services, materials, and equipment for installed and planned capacity. This included 8,500 jobs per year, resulting in \$230 million in direct earnings, garnering \$29 million in state tax revenue. To be clear, at a time of economic uncertainty through a pandemic, the NEB program infused half a billion dollars in Maine's economy.

V. Solutions

In conclusion, with the tangible economic investments that NEB provides, outweighing program costs and the opportunity for energy independence from volatile natural gas prices that are causing our electric bills to rise, we do not believe passage of any of these bills is warranted. However, we understand the immense desire to control electricity costs. For that reason, we make the following recommendations to the legislature to consider, in partnership with administrative and regulatory agencies, immediate action:

- 1) Prepare for anticipated load growth and the cost increases that will inevitably arise from increasing demand without supply. Effectively plan to bring significant more generation online to serve Maine ratepayers.
- 2) Invest in diversifying our energy sources to move away from dependence on the volatile price impacts of fossil fuels. Continue to invest in the generation of clean, home-grown



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energy to strengthen Maine's energy independence, especially where the benefits exceed costs, as is the case with NEB.

- 3) Address ratepayer inequities through rate design and recovery at the PUC to protect low income ratepayers and ensure costs are appropriately allocated. Further protect low-income ratepayers by funding programs that support electricity affordability, like LIAP.
- 4) Scrutinize utility costs to ensure that the accounting of NEB costs is in fact accurate, and benefits are adequately monetized and accounted for. Ratepayers deserve assurance that costs have been fully examined and fairly distributed. While some of this work is occurring in an additional docket at the PUC (2024-00149), there has quite frankly been a limited opportunity to directly question utilities about such costs.
- 5) Implement Solar for All, the program this body determined was an effective successor program to bring the direct benefits of solar energy to low-income ratepayers. While this program has understandably been held up in the transition to a new administration, Maine should prioritize implementation of this important program to be well-positioned for its roll-out as and when federal delays can be resolved.

There are actions we can take today to address our rising electric costs and ensure the benefits of clean energy are delivered fairly, equitably, and to low-income ratepayers, too. Let's not let a false narrative and a cost allocation issue derail our state's necessary and imperative clean energy transition. We ask you to vote ought not to pass on LD 32, 257, 450, and 515. Thank you.

Sincerely,

Lindsay Bourgoine
Director, Policy & Government Affairs
ReVision Energy