



HOUSE OF REPRESENTATIVES

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Senator Lawrence, Representative Sachs, fellow members of the Committee on Energy, Utilities, and Technology, I'm Steve Foster, Representative for House District 32, serving Charleston, Dexter, Exeter, Garland, Stetson, and a part of Bradford, here to support LD32, "An Act to Repeal the Laws Regarding Net Energy Billing".

On June 17th, 2019, I stood on the House Floor against the passage of LD1711, the bill that would greatly increase the amount of solar generation qualifying for Net Energy Billing in Maine. During that debate, I warned that "although it will likely be more, a contract price just 2 cents above the going market rate would result in estimated stranded costs of more than \$13M/yr for the 375MW and more than \$20M/yr for the estimated 800MW this bill would subsidize".

In 2020, the PUC reported they had halted the bid process for the first issue of NEB solar projects because of the high bids received. By the fall of 2020, it was clear initial predicted costs to rate payers for NEB were well below what awarded contracts would require. The curtain was being pulled back, exposing the real effects of LD1711.

Prior to cloture for the 130th Legislature, various bills were submitted to curtail or suspend NEB. Because of concerns raised by many, including the PUC and OPA, an EUT sub-committee was directed to consider all the bills and bring one to the committee that would help relieve pending NEB costs. The final bill proposed exceeded what the minority sub-committee members could support. It was passed with only majority votes. Our concerns at the time were that the changes made would not decrease the total NEB solar generation cost and might even increase it. We later learned that changes made provided the opportunity for contracts to shift to smaller projects of 2MW or less with no cap on the total MW's allowed at that level.

During the 131st Legislature, LD1986 was passed, offering developers the opportunity to move from NEB to long term contracts at a bid price acceptable to the PUC. This was predicted to lower NEB costs. Since then, of six projects selected by the PUC totaling 24.3MW, four remain under consideration, pending agreed upon contract terms. Although no agreed upon price has been reported to this committee, bids were rumored to be around 13 cents/kwh. This is far from the success promoted during debate of LD1986 and will do little to affect the overall program costs to ratepayers.

This January, the PUC reported the current operating projects of approximately 975MW in the program are having a ratepayer impact of about \$182M/yr, well above the capacity and cost envisioned in 2019. Their expectation is for nearly 1200MW total capacity when projects in development come on line. That suggests we may well go beyond the Office of the Public Advocate's prediction from two years ago of \$220M/yr.

As the majority's adjustments to the NEB program have failed to lower costs to ratepayers and have indeed contributed to raising them, we now see an effort to reclose the curtain on the reality of NEB. The message we continue to hear, that benefits to ratepayers, which can't be measured in dollars and cents, are more than worth the cost is growing louder. This message of "Don't believe what your light bill tells you; you're much better off than you think" will fall on deaf ears.

My fellow committee members, it's time to take serious action in regard to NEB. Let's not miss the opportunity again this session. Let's pass LD32. The solar developers have benefitted enough from LD1711, with some who got in early now able to take yearlong sabbaticals abroad. If LD32 is passed, LD1986 might offer them an opportunity to keep their current projects profitable while reducing costs to ratepayers. They might also find work in the NEB rooftop market, as it was prior to LD1711. Going forward, they could bid into the grid scale market, providing all those benefits you just can't put a number on, while offering lower costs to ratepayers. This may allow them to keep many of the out of state workers we've seen installing projects around us, employed here for a while longer.

Long story short, LD1711 has only benefitted out of state solar developers, their investors, their non-profit supporters, and others who shared in the windfall profits it guarantees year after year. Let's pass this legislation and reduce the cost of Maine electric bills immediately, hopefully saving our own longstanding Maine businesses and the jobs they provide to hardworking Mainers.

Thank you.
Respectfully submitted,
Steve Foster
State Representative