

Lumbra Hardwoods Inc.

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Statement in support of

LD32 An Act to Repeal the Laws Regarding Net Energy Billing

LD257 An Act to Eliminate the Practice of Net Energy Billing

Joint Standing Committee on Energy, Utilities and Technology.

My name is Stephen Lumbra, I am the Vice president and third generation co-owner of Lumbra Hardwoods Inc. located in Milo, Maine. Lumbra Hardwoods produces up to 7 million BDFT a year of lumber for cabinets, flooring, furniture, molding as well as pallets and other products.

Net Energy Billing (NEB) has had a negative effect on the profitability of my company but today I would like to point out facts that this committee should be aware of.

First: The Sustainable Energy Advantage (SEA) study, Page 40 table 15 shows a cost of \$135.19M with \$108.72M in Benefits for Maine... A negative of \$26.47M for Maine. For Rate payers the benefit number is \$66.59M... A negative of \$68.60M for Ratepayers.

Second: EUT Committee Presentation from January 21, 2025 slide 5 reflects the findings in the SEA study.

From a ratepayer's perspective more than half of the money is flowing to others, the lion share to Massachusetts and Connecticut with the rest flowing to other New England States.

People saying that the SEA report shows a benefit of \$1.23 benefit per \$1.00 cost either don't understand the report or are being untruthful.

The California PUC and Legislature recognized the unfairness of NEB and did away with it. In fact, California, Hawaii and Minnesota did away with NEB because it was inherently unfair.

Why are we still practicing NEB when it is clear that it is extremely costly for those among us who are struggling or just getting started in their life journey. These people are the ones that can least afford to pick up the tab of this flawed system.

The wellbeing of citizens, employees and the companies that employ them should be of great concern to this committee.

Thank you for your time.

**Table 15 -
2023 NEB Program Summary Cost and Benefit in Millions of Dollars by Analysis Perspective**

Benefit / Cost Category	Costs	Societal Perspective Benefits	Maine Perspective Benefits	Ratepayer Perspective Benefits	Maine Perspective Benefits (% of Societal)	Ratepayer Perspective Benefits (% of Societal)
Program Expense	\$130.76	N/A	N/A	N/A	N/A	N/A
kWh Credit Impact on Supply Cost	\$4.43	N/A	N/A	N/A	N/A	N/A
RPS Cost Reductions	N/A	\$31.89	\$3.65	\$6.13	11.5%	19.2%
Energy Resale Revenue	N/A	\$15.44	\$15.44	\$15.44	100.0%	100.0%
Energy Price Suppression	N/A	\$25.43	\$3.42	\$3.42	13.5%	13.5%
Capacity Benefits	N/A	\$1.30	\$5.63	\$5.63	434.8%	434.8%
T&D Benefits	N/A	\$45.73	\$37.88	\$35.97	82.8%	78.6%
Reliability Benefits	N/A	\$1.17	\$0.12	\$0.00	9.8%	0.0%
GHG and Environmental Benefits	N/A	\$42.57	\$42.57	\$0.00	100.0%	0.0%
Totals	\$135.19	\$163.54	\$108.72	\$66.59	66.5%	40.7%

As shown above, the Maine Perspective benefits are less than the NEB program expenses. It is also worth noting that, although overall costs exceed benefits under this perspective, benefits continue to exceed costs for the kWh Credit program variant specifically (for both BTM and FTM projects, though net benefits are significantly higher for BTM projects). Ratepayer Perspective benefits are lower than both the Societal and Maine Perspective. Still, benefits for BTM kWh Credit program projects are higher than costs under the Ratepayer Perspective due to the significant T&D benefits assumed for such projects.

Benefits of NEB Program Vary By Perspective

