



Committee on Energy, Utilities and Technology
% Legislative Information Office
100 State House Station
Augusta, ME 04333

February 27, 2025

Re: Public Hearing, LDs 32, 257, 450, and 515

Dear Senator Lawrence, Representative Sachs and Members of the Committee:

Thank you for the opportunity to share testimony in opposition to LDs 32, 257, 450, and 515 on behalf of the Maine Renewable Energy Association (MREA). MREA is a not-for-profit association of renewable energy producers, suppliers of goods and services to those producers, and other supporters of the industry. Our member companies include wind, solar, hydropower, biomass, and tidal energy generators and developers of such projects, as well as companies that provide services to those producers, such as environmental engineers, electricians, and general contractors.

MREA opposes LDs 32, 257, and 450 because all bills would render useless the vast majority of solar energy systems across the state of Maine, representing hundreds of millions of dollars of investment by Maine homeowners, residents, and businesses; undermine contracts entered and relied upon by municipalities, school districts, and businesses across the state; and sully Maine's reputation as a reliable regulatory environment in which to do business. By wiping nearly all reference to "net energy billing" (NEB) from Maine statute, these bills propose to erase the mechanism for crediting energy produced by solar energy systems and sent to our shared electric grid, meaning that all residential and business rooftop solar energy systems (with the exception of those that are not grid-tied, which is uncommon), community solar projects, and projects designed for Maine businesses would lay to waste.

MREA also opposes LD 515, that although is distinguishable from LDs 32, 257, and 450, nonetheless undermines contracts entered into by municipalities, businesses, and other institutions across the state and undoes considerable work done by this Committee and the Maine Legislature to determine and quantify the considerable benefits of the NEB program, among other initiatives.¹ Our testimony details the impact of this legislation (LDs 32, 257, 450,

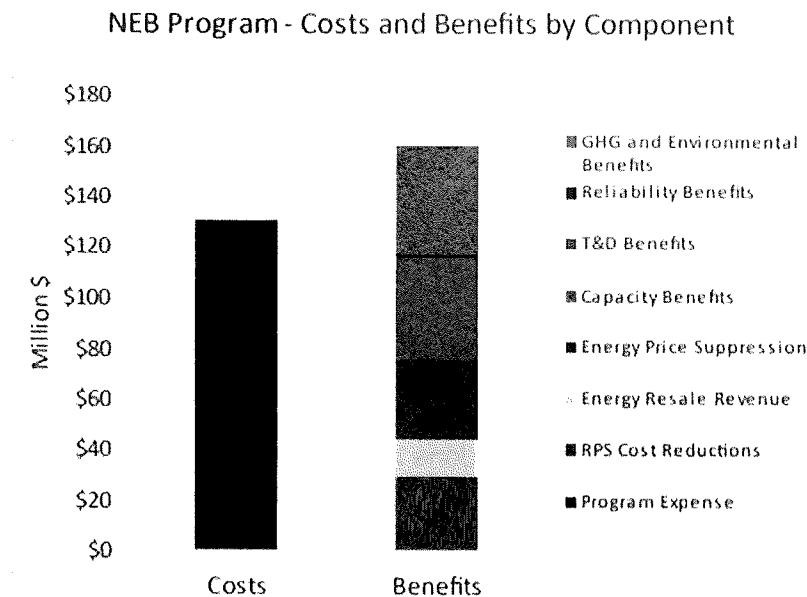
¹ LD 515 proposes to repeal 35-A MRSA §3209-A (the section governing the "NEB kWh program") and replace it with a directive to the Maine Public Utilities Commission to adopt rules that would return the kWh program to its pre-2019 form. The bill also proposes to repeal statutory sections that call for a cost/benefit analysis of the NEB program, among other initiatives.

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and 515) on Maine people and businesses, as well as additional reasons why this legislation is misguided and should not advance.

Municipalities, school districts, businesses, and residents across all Maine counties have a financial stake in the net-energy billing program. Over 110,000 Maine residents and businesses are NEB customers. This includes over 60 Maine schools and school districts, including Foxcroft Academy, RSU 9 (Farmington area), Veazie Community School, Millinocket, Madawaska, and RSU 73 (Livermore Falls area); at least 40 municipalities such as Presque Isle, Auburn, Limestone, Bucksport, and Rumford; and businesses like Hannaford, L.L. Bean, Pleasant River Lumber Company, and Oakhurst Dairy. Each of these entities utilize the NEB program to save on their utility bills, entering long-term contracts that inform long-term financial planning. For example, the Wells Ogunquit Community School District and the Town of Wells will save approximately \$2.5 million in reduced energy costs as a result of their NEB agreement. A non-exclusive list of entities enrolled in NEB, including Maine non-profits like MaineHealth and Northern Light Healthcare Systems, is included with our testimony.

The benefits of the NEB program extend to all Maine ratepayers. All Maine ratepayers benefit from NEB. For example, when NEB projects are built, investments are made in our electrical grid – upgrades to our shared poles, wires, and substations that are critical for resiliency. An independent study² commissioned by the Maine Public Utilities Commission (MPUC) showed that every \$1 invested in NEB generates \$1.23 in benefits. The following chart from the before mentioned study summarizes the costs and benefits of the program:

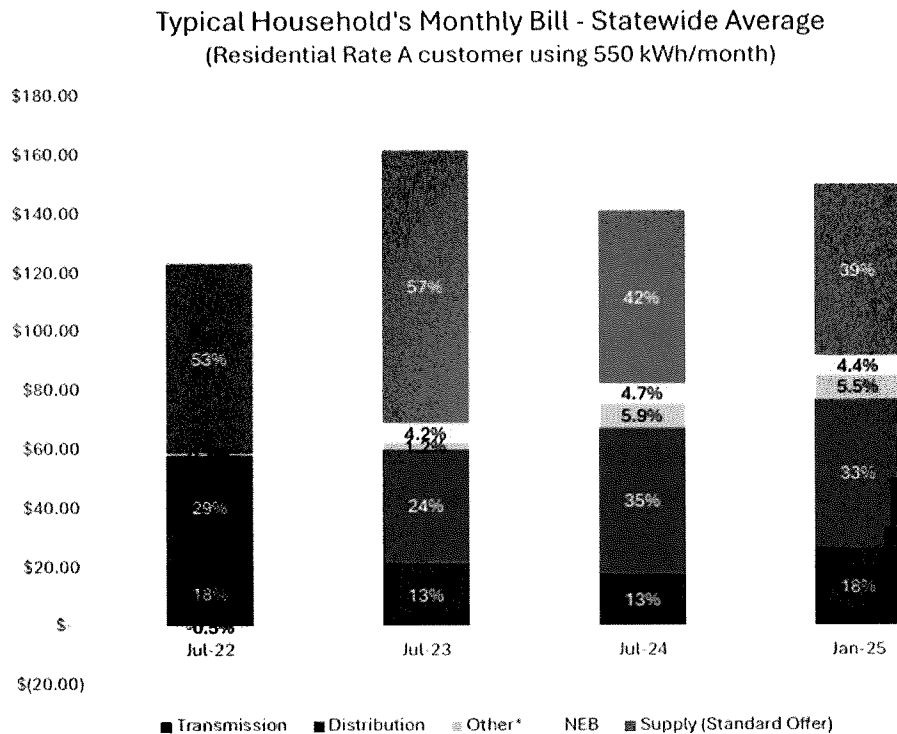


Source: Figure 1 - Calendar Year 2023 NEB Program Summary Cost and Benefit, Analysis of 2023 Net Benefits of Net Energy Billing Program, Sustainable Energy Advantage, April 1, 2024

² See Analysis of 2023 Net Benefits of Net Energy Billing Program, Sustainable Energy Advantage, April 1, 2024.

The vast majority of increases to Maine utility bills are not attributable to NEB. Maine ratepayers are experiencing increased utility bills, but in the vast majority of those bills costs from the NEB program are eclipsed by other rising costs. About 4% of the average residential customer utility bill in Central Maine Power (CMP) territory is attributable to NEB.

The following chart breaks down the components of the average residential utility bill in CMP territory. Notably, "Other" stranded costs include charges for low-income assistance, Efficiency Maine conservation programs, competitively-bid long term contracts and power purchase agreements, pre-restructuring stranded costs, and storm recovery costs.



Source: CMP and Versant's annual stranded cost reconciliation filings, transmission and distribution rates effective following the July 2022, July 2023, July 2024, and January 2025 price changes (July 2025 is not yet available), and annual average standard offer rate for small classes as found in MPUC dockets and published in the Maine Governor's Energy Office Summary of Rates. Statewide average calculated by Rate A customer count.

Earlier this month, CMP reported to the MPUC that it spent \$24.5 million on storm clean-up and power restoration costs in 2024.³ This is an initial estimate that does not calculate the impact on ratepayers. To be sure, storm clean-up and power restoration is an essential service provided by Maine utilities, but it does come with a cost to ratepayers. Storm clean-up costs in 2022 and 2023 amounted to \$220 million, which was recovered from the average ratepayer at \$10.29 a month.

³ See CMP spent \$24.5 million on storm cleanups in Maine in 2024, Portland Press Herald, February 1, 2025.

Transmission costs have also risen. Starting at the beginning of this year, CMP customers saw a 7% increase in their utility bills to fund upgrades to transmission lines, poles, and other equipment across New England.⁴ The Federal Energy Regulatory Commission (FERC), which regulates interstate transmission, apportioned \$280 million of the \$3.3 billion worth of upgrades to the region's shared grid to Maine's two utilities.

Along with Maine's reliance on fossil fuels to produce electricity, which is subject to volatile global market forces, increases to the vast majority of Maine utility bills cannot be solely attributed to NEB. There are some notable exceptions, however. Beginning in the summer of 2023, some Maine businesses that are part of a limited number of utility rate classes saw substantial increases in their utility bills. This was a result of a shift, based on a MPUC order⁵, in how post-restructuring stranded costs are recovered from that limited number of utility rate classes – a shift from a volumetric rate design to a fixed charge rate design. Apportioning post-restructuring costs equally amongst a particular rate class (i.e., a "fixed charge" rate design) as opposed to apportioning those costs in line with energy use (i.e., a "volumetric" rate design) when ratepayers within that class have vastly different energy use profiles, meant that some business ratepayers saw a dramatic jump in their utility bills beginning two summers ago. MREA members are among the businesses that saw that dramatic jump and are actively engaged in a MPUC docket that seeks a more equitable rate design.⁶ We are hopeful that that docket is resolved swiftly, so Maine businesses are afforded relief this coming summer, during Maine utilities' next annual reconciliation of stranded cost revenue and costs.

The Maine Legislature has rolled back this program three times and work to reduce the cost and impact of the program is ongoing at the Maine Public Utilities Commission. Bipartisan majorities in the 129th Legislature updated Maine's NEB program for the purpose of launching a vibrant solar industry in Maine, guarding Maine against volatile fossil fuel markets, making Maine more energy independent, and decarbonizing our energy systems. Since then, the Legislature has reformed the program three times to lower long-term impacts on ratepayers without retroactively disrupting contracts for program beneficiaries. The 130th Legislature restricted eligibility to projects operational by the end of 2024 and significantly reduced compensation for projects starting construction after September 1, 2022. The 131st Legislature effectively ended the *NEB Tariff Program* and further restricted the eligible project size of projects in the *kWh Credit Program*, as well as required the MPUC to formally account for program costs and benefits, which will likely reduce the impact of the program on ratepayers.

Specifically, the 131st Maine Legislature through LD 1986 compelled the MPUC to annually determine the NEB costs and benefits; identify those benefits which may be monetized and to whom those benefits accrue; and "adopt a methodology for the calculation of benefits

⁴ See [Maine electricity bills increased again this month](#), Portland Press Herald, January 7, 2025.

⁵ See Maine Public Utilities Commission Commission Initiated Investigation Into Stranded Cost Rate Design, Docket No. 2022-00160.

⁶ See Maine Public Utilities Commission Follow-On Proceeding to Further Investigate Stranded Cost Rate Design, Docket No. 2024-00137.

that will be applied annually in stranded cost rate proceedings going forward”.⁷ As this Committee is aware, stranded cost rate proceedings are the venues in which the amount of stranded costs to be recovered from ratepayers is annually determined. MREA is confident that through the monetization of benefits (see earlier discussion of NEB benefits) and the demonstration that a meaningful amount of those benefits accrue to Maine utilities, the amount that must be recovered from Maine ratepayers through stranded costs will be reduced by attributing those costs to, for example, distribution costs or otherwise to the utilities. This docket, along with the aforementioned docket that seeks to modify the recent change in rate design, will serve to address the cost concerns by the bill sponsors, as well as the 131st Maine Legislature. To proceed with these bills in advance of the culmination of those dockets would be hasty at best.

For these reasons and more, MREA strongly urges the Committee to vote ‘Ought Not to Pass’ on LDs 32, 257, 450, and 515.

Sincerely,



Eliza Donoghue, Esq.
Executive Director

⁷ See Maine Public Utilities Commission Investigation into Allocation of Benefits of Distributed Generation Under Net Energy Billing, Notice of Investigation, Docket No. 2024-00149.

The following is a non-exclusive list of Maine towns, schools, non-profits, and businesses that participate in the Net Energy Billing program and that would be negatively impacted by LDs 32, 257, 450, and 515.

Municipal

- o City of Auburn
- o City of Belfast
- o City of Lewiston
- o City of Portland
- o City of Presque Isle
- o City of Rockland
- o City of South Portland
- o County of York
- o Town of Blue Hill
- o Town of Bowdoinham
- o Town of Camden
- o Town of Casco
- o Town of Cumberland
- o Town of Freeport
- o Town of Fryeburg
- o Town of Hope
- o Town of Kennebunkport
- o Town of Kittery
- o Town of Liberty
- o Town of Limestone
- o Town of Lincolnville
- o Town of Millinocket
- o Town of Mount Desert
- o Town of Norway
- o Town of Ogunquit
- o Town of Old Orchard Beach
- o Town of Poland
- o Town of Rumford
- o Town of Sanford
- o Town of Shapleigh
- o Town of Tremont
- o Town of Trenton
- o Town of Windham
- o Bangor Water District
- o Brunswick Sewer District
- o Brunswick/Topsham Water District
- o Bucksport Wastewater Treatment Facility
- o Farmington Water District
- o Kennebec Sanitary District
- o Limestone Water and Sewer District
- o Portland Water District

Higher Education

- o Bates College
- o Bowdoin College
- o Colby College

Higher Education, cont.

- o College of the Atlantic
- o Maine Community College System
- o Maine Maritime Academy
- o University of Maine
- o Thomas College

Schools:

- o Acton School Department
- o Auburn School Department
- o Dayton School District
- o Deer Isle/Stonington School District
- o Falmouth Public Schools
- o Five Town CSD - Camden Hills Regional High School
- o Foxcroft Academy
- o Madawaska School Department
- o Millinocket School Department
- o Mount Desert Island High School
- o Mt. Ararat High School
- o MSAD 11 – Gardiner/Pittston/Randolph
- o MSAD 15 – Gray/New Gloucester
- o MSAD 28 - Camden Rockport School District
- o RSU 9 – Farmington Area
- o RSU 10 – Rumford Area
- o RSU 14 – Windham/Raymond
- o RSU 24 – Sullivan Area
- o RSU 52 – Turner Area
- o RSU 55 – Hiram Area
- o RSU 73 – Jay Area
- o Union 69 - Hope Elementary School
- o Scarborough School Department
- o St. Dominic Academy
- o Veazie Community School
- o Waterville Public Schools
- o Windham Public Schools

Nonprofit

- o Auburn Housing Authority
- o Augusta Housing Authority
- o Bath Housing Authority
- o Brunswick Housing Authority
- o Caribou Assisted Living
- o Chewonki Foundation
- o Coastal Rivers Conservation Trust
- o Cumberland Animal Clinic

Nonprofit, cont.

- The Ecology School
- Fort Fairfield Housing Authority
- Good Shepherd Food Bank
- Hurricane Valley Farm
- Kieve/Wavus
- MaineHealth
- MaineGeneral Medical Center
- MDI Hospital
- Northern Light Healthcare System
- Old Town Housing Authority
- Portland Housing Authority
- Preble Street
- Saco Food Pantry
- South Portland Housing Authority
- Waterfall Arts
- Westbrook Housing Authority
- Wolfe's Neck Center
- York County Shelter
- 317 Maine Community Music Center

Commercial

- Allagash Brewing
- AVX Tantalum Corporation
- Bangor Beer Company
- Bangor Savings Bank
- Bath Iron Works

Commercial, cont.

- Bissell Brothers Brewing
- East Brown Cow
- Eastern Tire
- FedCo Seeds
- Grandyoats
- Gorham Savings Bank
- Hannaford
- L.L. Bean
- Luke's Lobster
- Machias Savings Bank
- Maine Beer Company
- Nestle Waters North America
- Oakhurst Dairy
- Pleasant Mountain Ski Area
- Pleasant River Lumber Co.
- Pratt & Whitney
- Pride Manufacturing Co LLC
- Shaw Brothers
- Shepard's Storage & Shepard's
Toyota
- Split Rock Distilling
- Thompson's Point
- Thurston's Lobster Pound
- Walmart, Inc
- Wyman's of Maine