

**Testimony of Chris Kallaher, Senior Vice President and General Counsel, Ampion, Inc., in
Opposition to 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**

February 27, 2025

Senator Lawrence, Representative Sachs, and honorable members of the Energy, Utilities, and Technology Committee. My name is Chris Kallaher and I am Senior Vice President and General Counsel of Ampion, Inc., a distributed renewables subscription and revenue management company with a deep commitment to Maine and the customers and clients we serve in Maine. I am writing to express Ampion's strong opposition to the four bills before you this morning, **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.**

Our three main bases for opposing these bills are straightforward: (1) the program works; (2) the program is supported by an extensive network of contractual and other commitments the abrogation of which would have negative near- and long-term consequences for the citizens of Maine, and (3) the arguments against the program are based to a great extent on misinformation about how the program works and what benefits it returns to the State in exchange for the costs of the program.

1. The program works.

From Ampion's perspective as one of the largest providers of community solar services in Maine, we see the NEB program as accomplishing the key objectives it was established to achieve. The program has clearly delivered new renewable energy resources to Maine's distribution grid. Ampion alone is currently managing 188 MW DC of capacity that has been added to Maine's grid since the program's inception. This capacity is spread across 42 projects and 31 owners. As shown in the recent report to the Maine PUC, "Analysis of 2023 Net Benefits of Net Energy Billing Program," this new capacity brings benefits to all Mainers in the form of increased reliability, transmission benefits, reductions in capacity costs, energy price suppression and reductions in greenhouse gas emissions. The program is also bringing real financial benefits to the Maine residents and business owners who subscribe to NEB sites. To date, we have delivered nearly \$5 million in utility bill savings to our more than 13,000 Maine subscribers. These subscribers run the gamut from residential customers to larger businesses. They also include non-profits and governmental entities, including housing authorities, chambers of commerce, K-12 schools, and municipalities. New renewable capacity and millions of dollars of savings to customers are the main benefits of community solar programs and Maine's NEB program has clearly delivered those benefits.

2. Ending the program for existing sites and their subscribers would have very negative consequences for Maine.

As noted above, Ampion is currently servicing 42 NEB sites spread among 31 owners and more than 13,000 subscribers. While we are one of the largest community solar providers in the state, there are many other providers servicing another 600+ MW of community solar capacity across hundreds of sites throughout Maine and providing savings to tens of thousands of subscribers to those sites. These sites and their many subscribers form a complex network of relationships that collectively form the community solar portion of the NEB program. The connective tissue in this network consists of tens of thousands of individual contracts, including NEB agreements and interconnection agreements between site owners and utilities, subscriber agreements, financing agreements between lenders and developers and site owners, and agreements between site owners and subscribers and revenue management companies like Ampion, along with thousands of state and local permits and approvals that have allowed these projects to go forward to deliver the benefits of the NEB program. Within this network lives the expectations of the tens of thousands of customers who signed up for community solar for the savings the program provides and the knowledge that they are helping to build new renewable capacity in Maine.

Ending the NEB program, full stop, including for existing sites, would destroy this massive ecosystem, with both immediate and long-term negative consequences for Maine. The immediate consequences would include:

- Generalized chaos in the market as owners, subscribers and others in the community solar value chain scrambled to assess the damage to their interests from the legislation ending NEB;
- The loss of tens of millions of dollars in bill savings to residents and businesses across Maine;
- Immediate cessation of any further development that had been relying on the NEB program as a vehicle for reaching the market; and
- Inevitable litigation by those who had seen the value of their assets severely compromised.

These consequences would be bad but the longer term consequences would likely be worse. Ending the NEB program, including for existing sites already in operation or development, would send the strongest possible signal that Maine is not a safe place for investment. The proponents of these bills might believe that this form of damage would be limited to future development of renewable resources (which we must assume some of the bills' proponents would be fine with) but, of course, this would not be the case. The clear message to anyone considering investing in Maine would be that they cannot rely on the current legal framework for any program, no matter how solid it might appear, because a committed group of opponents can come along at any moment and destroy the value of investments made in reliance on that legal framework. It is one thing to change a program on a going forward basis, which has already been done in a number of areas over the past four years. But ending a program even for

currently operating assets that had made it over the various hurdles erected by those legislative changes in order to achieve operational status in the NEB program would tell potential investors in every sector that Maine is simply not a safe place to put their money.

3. Opposition to the program is based on a false narrative about its costs and benefits.

Proponents of these bills who would like to see the NEB program ended may have many reasons for holding this view. But the most common argument we see against the NEB program is that it costs too much and doesn't return a sufficient level of benefits to justify its continuation. It is hard to say why this narrative has taken hold, though the recovery of the costs of the program through a mechanism that does not also account for the benefits of the program has likely contributed to the perception that the program returns less than it costs. The Legislature, however, in LD 1986 "An Act Relating to Net Energy Billing and Distributed Solar and Energy Storage Systems," which was enacted in 2023, created a mechanism that would allow the question of NEB's costs and benefits to be answered in a public and transparent manner. That act directed the PUC to conduct an annual assessment of the costs and benefits of the NEB program and to report the results to the Legislature by March 31 of each year. The latest such report, for calendar year 2023, was updated just this month. That report shows that the benefits of the NEB program exceeded the costs by about \$28 million, or about 20 percent of program expenses. Programs that deliver net benefits equal to 20 percent of their costs should be considered a huge success rather than targets for elimination.

It also appears that this assessment does not count the net savings to NEB subscribers as a "benefit" of the program. This may be because the net savings to NEB subscribers is not a benefit that is shared among all ratepayers. While that is a fair point, it is certainly the case that Maine ratepayers who are subscribers to a NEB site would consider their net savings to be a benefit of the program and would like those benefits to be taken into account by those who might be inclined to end the program and take those benefits away. For example, Ampion's subscribers would very much like for their cumulative bill savings of nearly \$5 million to be considered a benefit that would be lost if the program is discontinued.

We at Ampion appreciate to opportunity to provide comments on these important matters and urge you to vote "no" on **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.** Thank you