

TESTIMONY OF MID-MAINE CHAMBER OF COMMERCE

LDs 32, 257, 450 and 515 - February 27, 2025

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

Can you imagine paying \$10 for a \$6 sandwich, and being told it's a good deal? And when you investigate, they admit that you're overpaying "from your perspective", but insist that the price is right when you think about the whole world at large?

The Mid-Maine Chamber of Commerce is dedicated and committed to promoting, educating and advocating for business prosperity and regional economic improvement. The Mid-Maine Chamber, and the hundreds of businesses who are its members, are committed to fostering a robust regional economy, in the belief that the standard of living and quality of life of our citizens is best served by a vibrant, healthy economy. The Mid-Maine Chamber endorses an energy policy that realizes the goals of lowering the price of electricity, lowering the cost of energy, and reducing greenhouse gas emissions in a way that results in cost effective and sustainable solutions.

Net energy billing's costs exceed its benefits to Maine. Solar developers and environmental advocacy groups tell you that the PUC has a report saying that this new form of net energy billing is worth it. They say this report concludes that the benefits of this program exceed its costs. It is true that the PUC commissioned a report from a renewable energy consultancy called Sustainable Energy Advantage, which the Commission presented to you last month.

But anyone who says "the report found that the benefits exceed the costs" isn't telling you the whole story. In truth, the PUC's consultants found that **Maine ratepayers' costs are much higher than Maine ratepayers' benefits**. Table 16 from their December 31, 2024 report, copied below with additional highlighting, shows their conclusion that Maine's costs in 2024 (\$148.41 million) exceed Maine ratepayers' benefits (\$88.40 million).

**Table 16 -
2024 Solar 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	\$142.66	N/A	N/A	N/A	100%	100%
kWh Credit Impact on Supply Cost	\$5.75	N/A	N/A	N/A	100%	100%
RPS Cost Reductions	N/A	\$0.00	\$0.00	\$5.11	100%	N/A
Energy Resale Revenue	N/A	\$15.75	\$15.75	\$15.75	100.0%	100.0%
Energy Price Suppression	N/A	\$67.11	\$9.13	\$9.13	13.6%	13.6%
Capacity Benefits	N/A	\$2.66	\$4.83	\$4.83	181.8%	181.8%
T&D Benefits	N/A	\$74.44	\$53.57	\$53.57	72.0%	72.0%
GHG and Environmental Benefits	N/A	\$50.51	\$50.51	\$0.00	100.0%	0.0%
Totals	\$148.41	\$210.48	\$133.81	\$88.40	63.6%	42.0%

MAINE COSTS

RATEPAYER BENEFITS

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So how can anyone tell you that this report finds net energy billing to be a winner? Here's the trick: they tell you to broaden your focus beyond Maine when it comes to measuring the benefits, even though all the costs fall solely on Maine electricity consumers.

The truth is that a lot of the benefits identified by the PUC's consultants – nearly all of the energy price suppression, and all of the greenhouse gas and environmental benefits – do not accrue to Maine ratepayers. The consultants think a portion of these benefits accrues to Maine generally, but most accrue to faraway interests like foreign nations and businesses in other states.

SEA's valuation of the Maine benefits is likely too high, based on evidence presented to the Commission in the context of recent stranded cost cases. But even if you accept SEA's valuation, when you look at costs and benefits from the perspective of a Maine electricity consumer, the costs outweigh our benefits. That's the bottom line.

Even if you broaden your scope to count greenhouse gas and environmental benefits which benefit Maine, and even if you weigh these general Maine benefits against the cost to Maine ratepayers, the consultants say we're still upside-down by about \$15 million per year, paying \$148.41 million for just \$133.81 in value.

Only by taking a globally broad "societal perspective" does the report find benefits that exceed Maine's costs. Reaching this conclusion required the consultants to treat things like reductions in energy prices in Connecticut and Massachusetts *as if they were a benefit to Maine*.

An honest look at the report shows that the PUC's consultants concluded that the cost of Maine's net energy billing program in 2024 was \$148.41 million, and that Maine ratepayers' benefit was just \$88.4 million. In other words, Maine electricity consumers are paying over \$60 million too much, relative to the value they're getting. Slide 5 from the January 21, 2025 presentation by Public Utilities Commission Chair Bartlett and Commissioner Gilbert makes this clear.

Keep in mind that Maine electricity consumers are already paying hundreds of millions of dollars per year in other forms of climate-oriented renewable energy subsidies. Do you know how much Maine consumers paid last year for compliance with the state's renewable portfolio standard? About \$100 million, or more.

Do you know how much Maine consumers paid last year for compliance with the Regional Greenhouse Gas Initiative? Another \$100 million or so, or more. This is because the ISO New England market pays the same price to all generators. That price almost always includes a premium for gas generators' cost of compliance with RGGI – and all generators get that price, even renewable ones that could provide power at a lower cost.

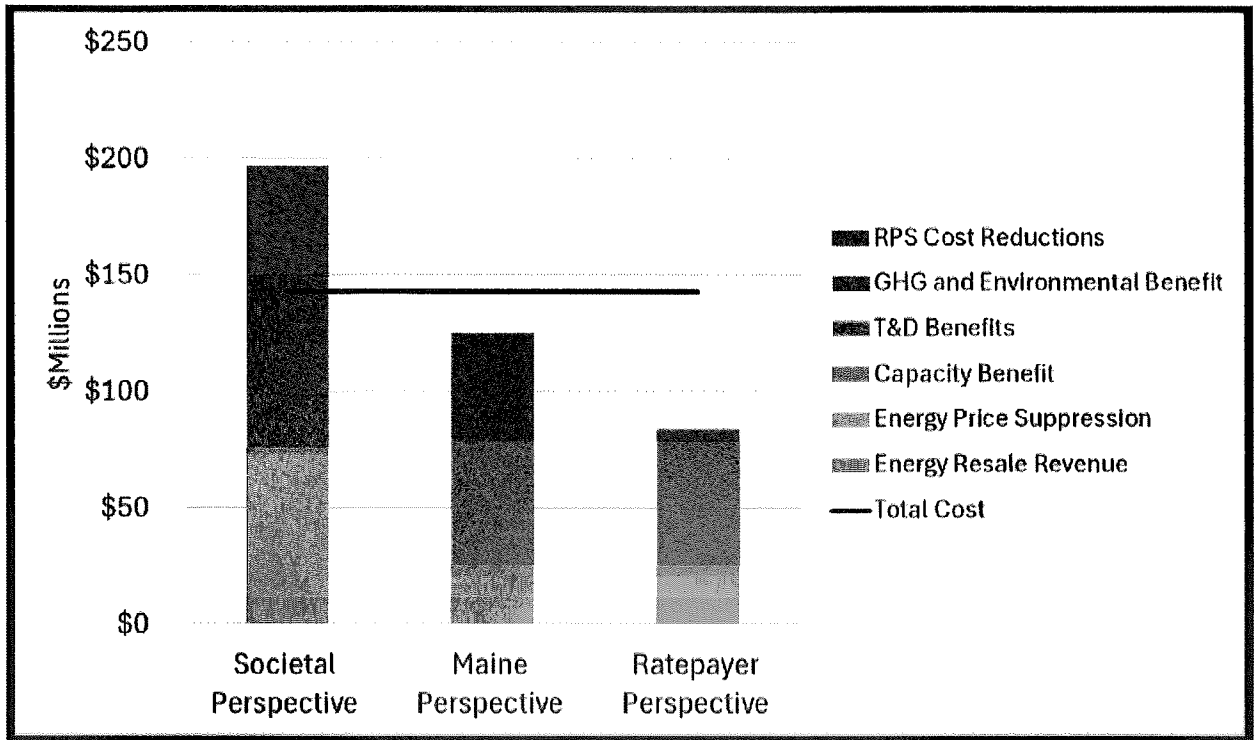
And then there is net energy billing. The PUC's own consultant says this cost another \$148.41 million last year. It all adds up.

Think about that sandwich I was warning you about, where you have to pay \$10 for a lunch that's only worth \$6. You can choose how you source your lunch. Maine's electricity consumers have no choice. They need you to recognize that they are forced to overpay for an essential good, by the policy choices made by the Legislature and implemented by the Commission.

You are the only ones who can stop this. The bills before you today offer you vehicles to protect Maine ratepayers from overpaying for electricity.

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Slide 5 from the January 21, 2025 presentation by Public Utilities Commission Chair Bartlett and Commissioner Gilbert