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Testimony of Nate Cloutier

Before the Joint Standing Committee on Energy, Utilities and Technology  
February 27, 2025

**Neither for nor Against**

***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 359, "An Act to Prohibit Net Energy Billing by Certain Customers"***

***LD 450, "An Act to Lower Electricity Costs by Repealing Laws Governing Net Energy Billing"***

Senator Lawrence, Representative Sachs, and distinguished members of the Energy, Utilities and Technology Committee, my name is Nate Cloutier, and I am here today on behalf of HospitalityMaine, representing Maine's premier restaurant and lodging industries. I am also speaking on behalf of the Maine Tourism Association, a non-profit association and the state's largest tourism organization with nearly 1500 members. HospitalityMaine and Maine Tourism Association respectfully offer testimony neither for nor against LDs 32, 257, 359, and 450.

We appreciate the opportunity to provide comment as you deliberate Maine's net energy billing (NEB) policy. Many of the businesses we represent are small, independent, and family-run. For most employers, they cannot afford energy sourcing to top their daily concerns—staffing shortages and making payroll lead that list. In discussing this policy with our members, there are two consistent themes in their feedback:

1. Rising energy costs have significantly impacted business growth, with some business closures attributed, in part, to these expenses.
2. Employers want to be good stewards of the environment and are largely neutral on energy sourcing. They agree the trend needs to continue toward renewable energy resources over the long-term, but procurement and related policy decisions—based on today's costs and availability—must be considered with an eye toward cost efficiency.

### *The Impact of Rising Energy Costs*

Energy costs have surged in recent years, straining already tight margins for the businesses in the hospitality and tourism industries.

NEB and energy policy are incredibly complex and difficult concepts for small businesses to navigate. They rely on policy experts to secure the best *value* in energy procurement—that is balancing investments in the cleanest energy with the best cost-saving solutions.

Some businesses have reported energy bill increases of 30% to 60% or more just in the last few years. Though not all these increases stem from NEB, of course, it is crucial to ensure that any energy-related policy balances environmental goals with economic sustainability. When ratepayers are asked to subsidize energy programs, there should be regular assessments to confirm these policies remain cost-effective for businesses and consumers alike.

### *If Not Repealed, NEB Warrants Review*

The Office of the Public Advocate (OPA) estimates NEB will cost ratepayers \$220 million annually. If costs continue at this rate, Maine may face higher consumer prices, reduced business investment, and potential job losses. A well-documented concern from the OPA and the Public Utilities Commission (PUC) is the unintended cost-shift burden placed on non-subscribers, which should warrant a careful evaluation of subsidy levels to ensure fairness and to honor intent.

With the legislature's well-intentioned investment in the NEB program, solar production has grown substantially around the state. A share of our members either use some form of solar energy or are engaged in a solar contract. Should the legislature consider reforms to NEB, it should be mindful of what changes would mean for existing contracts and agreements. Consistency and predictability are critical for business success. Upending contracts that could disrupt long-term business plans could have negative impacts on the affected parties.

### *Supporting Business Viability*

Tourism in the summer of 2024 declined by 9% compared to the previous year. While increased consumer spending and higher prices of goods helped offset a loss in the number of visitors, ongoing labor and energy costs remain a significant challenge. A rash of restaurant closures appears to be unrelenting. Given these challenges, we encourage the committee to seriously explore opportunities for cost savings that will support Maine's businesses and consumers.

Thank you for your time and consideration. I would be happy to answer any questions.