



Harold "Trey" L. Stewart III
Senator, District 2
Senate Republican Leader

THE MAINE SENATE
131st Legislature

3 State House Station
Augusta, Maine 04333

LD 257, "An Act to Eliminate the Practice of Net Energy Billing"

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

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

My name is Trey Stewart; and I represent Senate District 2, which encompasses several communities in Aroostook and Penobscot Counties.

I am here today to present LD 257, "*An Act to Eliminate the Practice of Net Energy Billing.*" As the title indicates, this measure repeals the authorization of the Public Utilities Commission (PIC) to adopt new rules governing net energy billing (NEB) and prohibits the Commission from adopting rules that require a transmission and distribution utility to allow a customer to participate in net energy billing. In short, this bill and the others like it repeal the "solar tax."

No doubt, you've all heard from constituents about their rising costs of electricity bills. Many may believe these drastic increases are due to the utility companies as the bills arrive to their mailboxes printed on their letterhead. However, that's not the full picture by a long shot. In 2019, the Legislature dramatically expanded subsidies for the solar industry to promote the construction of new solar projects, paying retail rates that include subsidies for transmission and distribution that generators never provide. What's worse, in my opinion, is the way in which the legislature decided to pay for this subsidy – entirely on the backs of every ratepayer serviced by a COU in Maine. Whether you realize it or not, we have the most generous subsidy for solar in the entire country – perhaps the entire world; but we have shirked our responsibility in state government to responsibly pay for it.

To be clear, this guaranteed rate of return that is set in statute is the only place where we behave as such in our electricity procurement process. For example, if a generic solar developer was to bid on a PUC RFP for 50 megawatts of solar energy to be produced in Maine, competition would be injected into the process, pencils would be sharpened, and the winning bid would be for a fraction of the cost that we are paying compared to the NEB kwh cost. Instead, we've gone about it entirely backwards at the bequest of the solar lobby. We guarantee them that there's no need to get competitive with their pricing or be reasonable with what they saddle ratepayers with because regardless of whatever the costs are for their projects, we guarantee them a generous price. And we are all paying mightily for this.

If we, as a Legislature, do not address this issue head-on, ratepayers will continue to be on the hook for over \$240 million a year (current year's projections), which equates to roughly \$4.4 billion over the next 20 years. These rate increases disproportionately impact lower income families that are subsidizing the solar projects of those who are wealthier. I challenge all of my legislative colleagues here today to take heed to this message: you cannot claim to care about poor people and support this public policy at the same time. They are incongruous and entirely incompatible.

There is another equally critical perspective that needs to also be considered here today -- that of the business perspective, which is an even more nefarious scheme. This has to do with not just *what* the PUC is required by law to pass along to ratepayers but also *how* the Commission divvied up the solar tax between mid- and large-scale businesses and residential ratepayers. In doing so, the Commission told both Versant and CMP to skew the solar tax toward companies across Maine. The problem for these companies, however, is many already operate on thin margins and cannot sustain such a large increase. Others that could ended up paying hundreds of thousands of dollars a year in solar subsidies, including some who are in this room with us today.

The January electric bill for Penobscot McCrum, a major potato and food manufacturer in our state, has been distributed to all of you. I'd like to point out one figure in particular that is highlighted on the reverse side. The Public Policy Charge, which for Versant does not include Stranded Costs and represents the cost of our solar subsidy policies here in Augusta, is over \$57,500 a month. The McCrum's conveniently did the math for us further down the page and share that Maine's solar tax will cost them nearly \$700,000 this year.

Think about that extraordinary sum of money. That's 14 or 15 good-paying jobs that are foreclosed on in rural Maine in just one example. No wonder this has become known as a job-killing solar tax. The problem, however, is that it's not extraordinary. It's not unique. **We have saddled all of our people and companies with this ridiculous tax.**

This is just one story of one company; and I'm certain there are many more stories in your districts and even sitting in this room right now. But that isn't the end of the harm this program causes. Companies like Penobscot McCrum will have to raise their prices. Stores and restaurants that are also paying higher electricity rates themselves need Penobscot McCrum's product and will have to raise their prices even more. And when restaurants can't convince their patrons to pay \$30 for a hamburger and fries, they will eventually close.

Unfortunately, it seems like we're already losing a restaurant a week here in Maine. It's not hard to see why -- our policies here in Augusta are killing them by creating a death spiral of seemingly endless electricity rate increases, wage and payroll tax hikes, higher food costs and business regulations that are inescapable. For many businesses, their only escape is closure. But it doesn't have to be this way.

Before being elected as the Senate Republican Leader, I served on this committee with some of you. We had intense but intelligent debates and discussions about what good public policy is. This policy - one that only benefits solar developers, almost 90% of whom are out-of-state entities - is one that I feel was not done in the typical fashion of analysis this committee is known for. It was brought on by a build-up of demand for rooftop solar in Maine; but the solar lobby


wrote the bill in such a generous way that I think it's now impossible for even them to logically defend – though I know they'll try later this morning. This program is not about rooftop solar and recouping the power that John Q. Citizen generates behind the meter in a fair manner – it's about outrageous profits and a government-backed scheme that goes to hedge funds on Wall Street and to foreign companies and investors. Without a doubt, the program is hurting businesses just as bad as it's hurting your grandparents on fixed incomes each month.

No doubt, you'll hear after me testimony from many varying perspectives. Some will share how excruciating this policy has proved to be for themselves, their families, or their businesses. Others will share how important it is to them to preserve the program that guarantees them billions of dollars in revenue from every Mainer. However, I challenge you all here today to think about what's most important. Preserving a program for an out-of-state solar company that bought "cheap" land in Maine on a guarantee the legislature would continue to allow them to rob 80-year-old widows on a fixed income \$100 more each month? Or forcing the developers to take a more reasonable return on their investment that they would otherwise be awarded through a typical bidding process at the PUC? It's time we all pick a side. Who will you all choose to stand with?


Thank you.

New Charges

Maine Public District (Rate HT Transmission Power Service-TOU)

 Versant Delivery	kWh	Price	
Distribution Off-peak	801,441.6	\$0.000752	\$602.68
Distribution Peak	534,201.6	\$0.002755	\$1,471.73
Stranded Costs Off-peak	801,441.6	\$0.000017	\$13.62
Stranded Costs Peak	534,201.6	\$0.000017	\$9.08
Public Policy Charge		\$57,516.6	\$57,516.60
Demand	kW	Price	
Distribution Peak	2,971.2	\$1.87	\$5,556.14
Transmission Peak	2,971.2	\$14.56	\$43,260.67
Power Factor	Percent		
Lagging Power Factor Charge	89.2%		\$390.53
Taxes and Fees			
Customer Charge			\$746.04
Versant Delivery Subtotal			\$109,567.09

New Brunswick Power

 Supply Service	kWh	Price	
Electricity Supply	1,335,643.2	\$0.09475	\$126,552.19
Supplier Subtotal			\$126,552.19

Versant Delivery + Supplier Charges = \$236,119.28

Meter Read

Meter#: 05796224EL

Service Period: Nov 30, 2024 - Dec 31, 2024

Current Reading: 28384.166
 Previous Reading: -27827.649
 Difference: 557
 Meter Multiplier: x2400

Total kWh: 31 Day(s) 1,335,643

Due to rounding, your meter readings shown may not match the billed kWh.

Supplier Message New Brunswick Power

For information regarding your electricity supply contracts and terms, contact New Brunswick Power Generation Corp at 506-458-6525. For information on available electricity suppliers, selecting a supplier, and current rates, visit <https://www.maine.gov/meopa/>.

About Your Energy Supply

You have chosen a competitive energy supplier. Versant Power does not supply energy, but provides billing & payment services on behalf of your electricity supplier.

\$690,192 = McCrum Washburn Annual Public Policy Charge

\$733,284 = Annual Public Policy Charge for all McCrum Business Electricity Accounts

Billing Terminology

For further definitions on your energy bill terms, please visit us online at: www.versantpower.com/residential/my-bill/understanding-your-bill/

kWh (kilowatt hour)

The amount of electricity you use is measured in kilowatt hours (kWh) by a meter. For example, a 100-watt light bulb used for 10 hours will consume 1,000 Watt hours, or one kWh.

Estimated Bill

If we are unable to obtain a scheduled meter reading, your bill will be estimated based on the amount of kWh consumed based on past usage.

Sales Tax Exceptions

Maine state sales tax does not apply for the first 750 kilowatt hours (kWh) of residential usage.

Late Payment

The amount not paid by the Due Date on the bill will be subject to a late payment fee of 0.949% on the unpaid balance.

Payment Arrangement

If you have trouble paying your bill, a payment arrangement may help. Please call customer service for more information.

Delivery Rates

Maine's rates are approved by the Maine Public Utilities Commission. Copies of our rate schedules are available online at www.versantpower.com

Distribution

This recovers the costs of the local system - including poles, wires, and substations - used for delivery of power from the bulk grid system to your home or business.

Transmission

This recovers the costs of the high-voltage system that transports bulk power.

Stranded Costs

These include all remaining costs from electric industry restructuring, including power purchase agreements, Maine Yankee, and other costs.

Public Policy Charge

This recovers costs of programs required by state policy, including the net energy billing program, low income assistance programs, and more recent long-term power purchase agreements.

Conservation

Efficiency Maine Trust was created by the Legislature to deliver energy efficiency programs and services. It is funded in part by Conservation, a fee on electricity use.



Bill Date: January 6, 2025
Account #: [REDACTED]
Invoice #: 17860289
 Read Cycle: 97
 PENOBSCOT MCCRUM
 [REDACTED]

Billing Summary

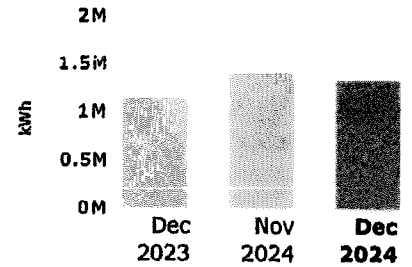
Service Period: Nov 30, 2024 - Dec 31, 2024

Previous Balance	\$236,281.14
Payment Made	-\$236,281.14
Remaining Balance	\$0.00
New Charges (see page 2)	\$236,119.28
Credits, Adjustments & Other Charges	-\$3,138.60
Total Current Charges	\$232,980.68

Total Amount Due By Feb 3, 2025 **\$232,980.68**

Your Energy Insight

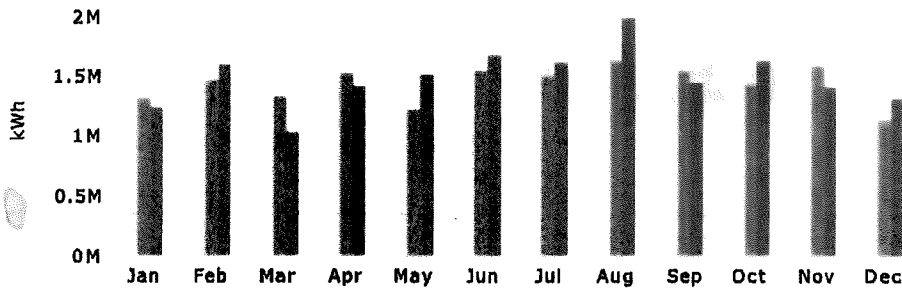
This month your usage increased 15% compared to the same time as last year.



	Dec 2023	Nov 2024	Dec 2024
Total Monthly kWh	1,157k	1,419k	1,336k
Avg Daily kWh	38.6k	47.3k	43.1k
Avg Daily Cost	\$5,862	\$7,941	\$7,617
Service Days	30	30	31

Monthly Energy kWh Usage

2022 2023 2024



January Rate Changes

Bangor Hydro District customers will see Standard Offer and Transmission rate changes. Maine Public District customers will see Standard Offer rate changes. These are all effective January 1, 2025. Visit our website for details.

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Additional Ways To Pay

By Phone Call (207) 973-2000 for payment by debit or credit card.	Online Pay by credit/debit or set up autopay online: versantpower.com/my-account
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There may be a fee for certain transactions.

Make check payable to: Versant Power
Do not mail cash

Account #: 0000000002014017-6
Payment Due By: Feb 3, 2025

Total Due: \$232,980.68

Payment Amount \$

PENOBSCOT MCCRUM
 PO BOX 220
 WASHBURN ME 04786-0220

VERSANT POWER
 PO BOX 16044
 LEWISTON ME 04243-9527



007011 000000304

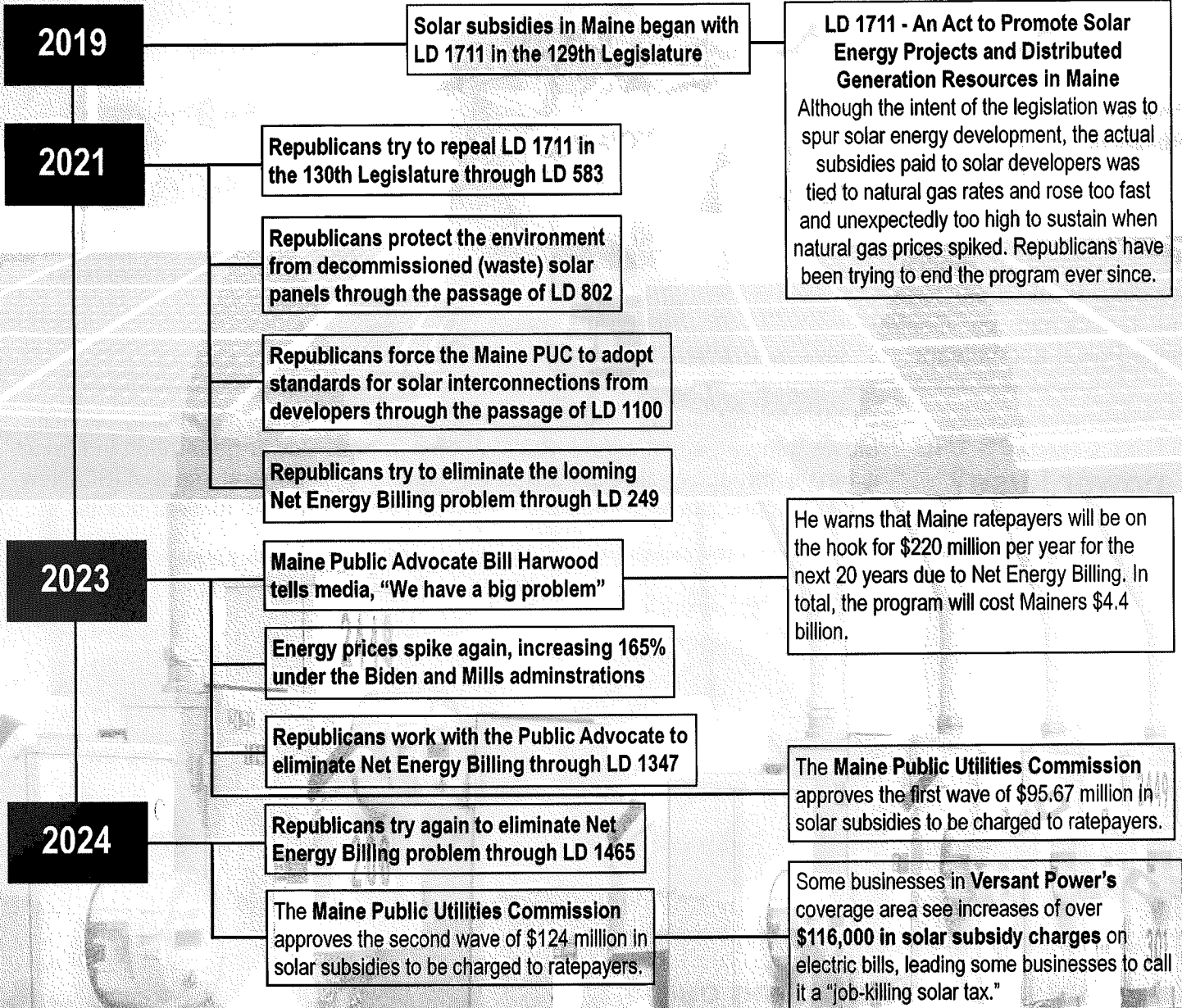


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Why did rates go up again in July?

In 2019, Maine dramatically expanded subsidies for the solar industry to promote the construction of new solar projects. Since then, solar subsidies have increased dramatically and well above what was anticipated. These costs associated with net energy billing are now being passed along to ratepayers. This so-called "stranded cost" may cost ratepayers up to \$220 million a year – or \$4.4 billion over the next 20 years – if left unfixed.

Timeline of events



So, how do we fix Net Energy Billing?

Legislative Republicans will continue to focus efforts on three key areas to protect Maine ratepayers from these harmful costs.

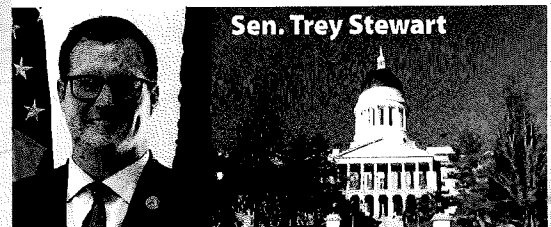
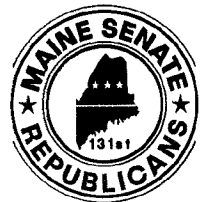
First, we'll restore the NEB program to the modest and affordable version that existed before the Legislature expanded it in 2019.

To address the \$220 million yearly cost of the approximately 1,000 NEB projects already in operation or under development, we want to allow the PUC to reduce the amount of compensation that CMP and Versant Power pay for NEB energy.

Finally, we will direct the PUC to expand its competitive bidding program specifically for small solar projects.

Brought to you courtesy of:

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www.mesenategop.com



Sen. Trey Stewart

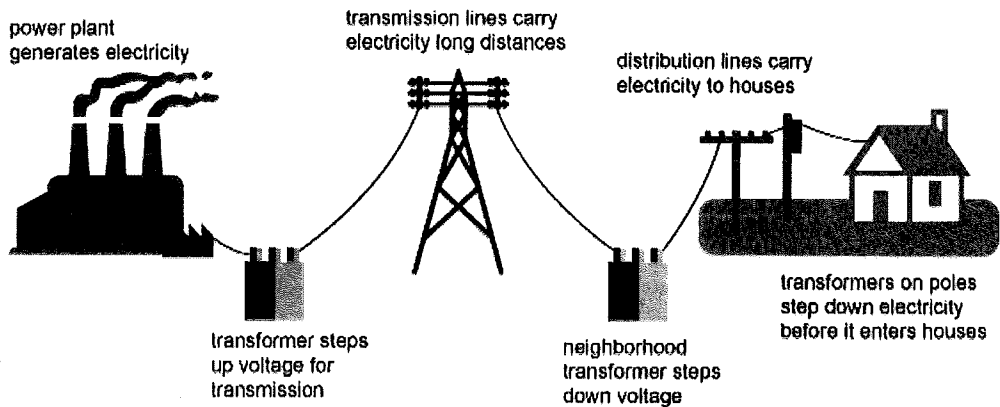
Why does electricity in Maine cost what it does?

The cost of your electricity comprises of three components: Supply (generation), Transmission (distribution), and Stranded Costs.

Where does my power come from?

Maine is a part of the ISO–New England power grid, which can import and generate more than 31,000 megawatts (MW) of power at full capacity. That power is transmitted across 9,000 miles of transmission lines throughout New England, including local lines owned and maintained by Central Maine Power and Versant.

Electricity generation, transmission, and distribution

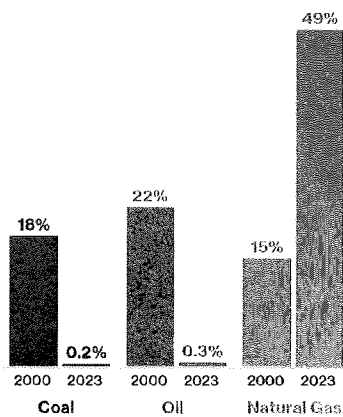


Source: Adapted from National Energy Education Development Project (public domain)

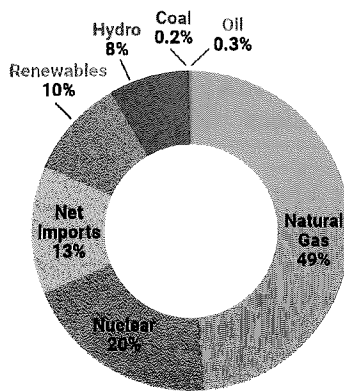
What creates the power I use?

Of the region's nearly 31,000 megawatts (MW) of power generating capacity, Maine generates just over 3,100 MW on average. Power generation in Maine is mostly through hydroelectric and wind turbines. In general, most of ISO-New England's grid power comes from regional natural gas and nuclear plants.

YESTERDAY VS. TODAY

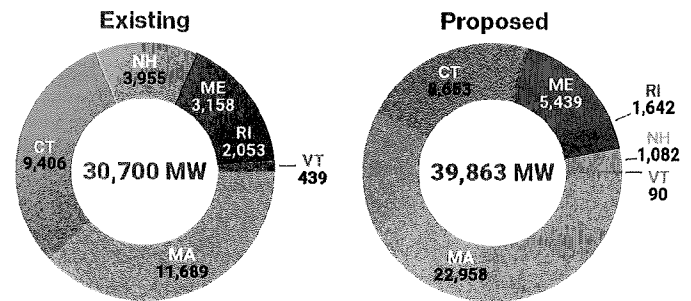


2023 ENERGY RESOURCES



Region Has Many Proposals for New Supply

Electric generating capacity by state (MW)

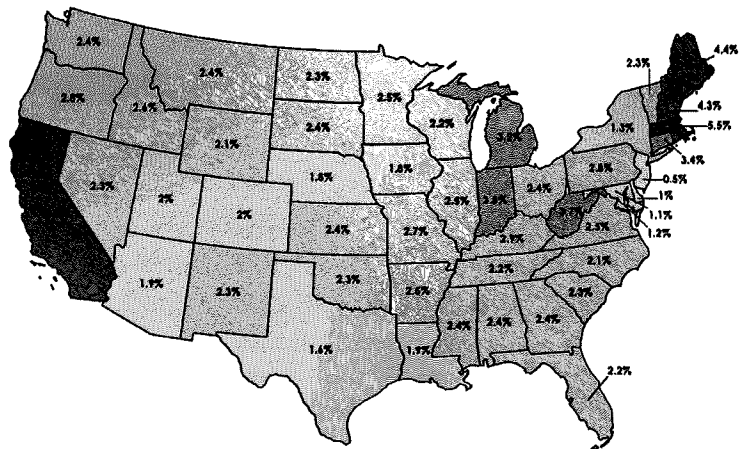


Source: ISO-NE 2023 Capacity, Energy, Loads, and Transmission Report; ISO-NE Generator Interconnection Queue, January 2024

The amount of electricity produced by generators in New England and imported from other regions to satisfy all residential, commercial, and industrial customer demand in New England. This is called Not Energy for Load (NEL).

What has been affecting our electric rates the past three years?

Maine was affected by the same market pressures and Biden Administration energy policies that also caused heating fuel oil and gasoline to rise steadily in 2022 and more sharply last year. Maine is also required to buy a certain portion of renewable energy at above-market rates due to Renewable Portfolio Standard requirements, which have been increasing every year to phase out power generation from non-renewable sources by 2050. In fact, Maine has experienced the third-largest increase in electric rates over the past 14 years and has the sixth-highest rate in the country, according to Statista.



Compound annual growth of residential electricity rates by state for 2010-2023. Source: Energy Innovation