



Bruce Bickford
Senator, District 20

THE MAINE SENATE
132nd Legislature

3 State House Station
Augusta, Maine 04333

**L.D. 359 “An Act to Prohibit Net Energy Billing by Certain Customers”
Before the Joint Standing Committee on Energy, Utilities and Technology
Thursday, February 27, 2025**

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

I am Senator Bruce Bickford and I represent District 20, which includes Auburn, Poland, New Gloucester, and Durham. Thank you for allowing me to present L.D. 359 “An Act to Prohibit Net Energy Billing by Certain Customers.”

This bill brings necessary changes to ensure that the Net Energy Billing program remains fair, efficient, and focused on benefiting individual customers, while still supporting the growth of renewable energy across the state.

One of the key changes put forward in this bill is the prohibition of shared financial interests in distributed generation resources. This change will help ensure that the NEB program remains focused on individual customers who are directly participating in the program. By limiting shared financial interests, we can prevent large-scale investors from dominating these resources and make sure that the benefits are more equitably distributed among customers.

This change will also help avoid complications that arise when multiple parties share financial interests in a project. With a clearer focus on individual customers, we can better streamline the program and make it easier for participants to understand and engage with it.

The bill also restricts participation to distributed generation resources located on the same side of the meter as the customer and used primarily to serve that customer’s load. This will ensure that the program is used as it was intended — to serve the needs of individual customers with local, dedicated energy generation.

This focus on serving the customer’s load directly will simplify the program and prevent it from being used in ways that were not originally envisioned. It ensures that the benefits of renewable energy are more closely aligned with the customer’s energy needs, and it eliminates any confusion about how credits should be allocated.

Under this bill, all NEB credits will be allocated to the retail account of the participating customer. This straightforward approach will ensure that the credits are properly tied to the customer’s electricity consumption, reducing the potential for confusion or dispute.



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By clearly defining where the credits go, we can ensure that participants understand how their energy contributions are being measured and rewarded. This will strengthen the program and allow for smoother participation from both customers and utilities.

The bill also includes necessary amendments to other statutes to reflect these changes to the NEB programs. These updates will help keep the statutory framework consistent and make sure the rules align with the new direction of the program. I'm a strong proponent of these updates as they ensure the program remains clear for all participants. Something that is not true now.

By focusing on individual customers and simplifying the structure, this bill will make sure the program is easier to manage, more transparent, and better able to serve its intended purpose. These changes will promote fairness in the program and help expand access to renewable energy, making it more sustainable in the long term.

Thank you for your time and consideration.

An Act to Prohibit Net Energy Billing by Certain Customers

Amend the bill by striking everything after the enacting clause and before the summary and replace with the following:

Sec. 1. 35-A MRSA §3209-A, sub-§1, ¶C is amended to read:

C. "Net energy billing" means a billing and metering practice under which a customer is billed on the basis of the difference between the supply charges for the kilowatt-hours delivered by a transmission and distribution utility to the customer over a billing period and the credit amount for kilowatt-hours delivered by the customer to the transmission and distribution utility over the billing period, taking into account accumulated unused kilowatt-hour credits from the previous billing period.

Sec. 2. 35-A MRSA §3209-A, sub-§3 is amended to read:

3. Shared financial interest for investor-owned utility customers; limitation. Multiple customers of an investor-owned transmission and distribution utility that have distinct billing accounts with that utility may share a financial interest in a distributed generation resource under subsection 2 in accordance with the requirements of this subsection.

A. Any For a distributed generation resource that reaches commercial operation on or before December 31, 2024 or receives a good cause exemption due to external delays in accordance with subsection 9, any number of customers of an investor-owned transmission and distribution utility with a shared financial interest in a distributed generation resource may participate in net energy billing, except that the number of eligible customers or meters is limited to 10 for a shared financial interest in a distributed generation resource located in the service territory of an investor-owned transmission and distribution utility located in an area administered by the independent system administrator for northern Maine or any successor of the independent system administrator for northern Maine unless the commission determines that the utility's billing system can accommodate more than 10 accounts or meters for the purpose of net energy billing.

B. For a distributed generation resource not described in paragraph A, the number of customers of an investor-owned transmission and distribution utility with a shared financial interest in a distributed generation resource that may participate in net energy billing is limited to 10.

Sec. 3. 35-A MRSA §3209-B, sub-§4 is amended to read:

4. Shared financial interest; limitation. Multiple commercial or institutional customers that have distinct billing accounts with an investor-owned transmission and distribution utility may share a

financial interest in a distributed generation resource under subsection 2 in accordance with the requirements of this subsection.

A. Any For a distributed generation resource that has a net energy billing agreement executed on or before December 31, 2023 and reaches commercial operation on or before December 31, 2024 or receives a good cause exemption due to external delays in accordance with section 3209-A, subsection 9, any number of commercial or institutional customers may participate in net energy billing with a shared interest in a distributed generation resource, except that the number of customers or meters is limited to 10 for a shared interest in a distributed generation resource located in the service territory of an investor-owned transmission and distribution utility located in an area administered by the independent system administrator for northern Maine or any successor of the independent system administrator for northern Maine unless the commission determines that the utility's billing system can accommodate more than 10 accounts or meters for the purpose of net energy billing.

B. For a distributed generation resource not described in paragraph A, the number of commercial or institutional customers of an investor-owned transmission and distribution utility with a shared financial interest in a distributed generation resource that may participate in net energy billing is limited to 10.

Sec. 4. 35-A MRSA §3209-B, sub-§5, ¶A is amended to read:

A. The tariff rate for a customer participating in net energy billing with a distributed generation resource described in this paragraph must equal the standard-offer service rate established under section 3212 that is applicable to the customer receiving the credit ~~plus 75% of the effective transmission and distribution rate for the rate class that includes the smallest commercial customers of the investor-owned transmission and distribution utility.~~ The tariff rate under this paragraph applies to net energy billing with a distributed generation resource:

Sec. 5. 35-A MRSA §3209-B, sub-§5, ¶A-1 is amended to read:

A-1. The tariff rate for a customer participating in net energy billing under this section with a distributed generation resource not governed by paragraph A, that has a net energy billing agreement executed on or before December 31, 2023 and reaches commercial operation on or before December 31, 2024 or receives a good cause exemption due to external delays in accordance with section 3209-A, subsection 9 must:

- (1) In 2022, equal the standard-offer service rate established pursuant to section 3212 that was applicable to the rate class of the customer receiving the credit on December 31, 2020 ~~plus 75% of the effective transmission and distribution rate that was in effect on December 31, 2020 for the rate class that includes the smallest commercial customers of the investor-owned transmission and distribution utility;~~ and
- (2) Increase by 2.25% on January 1st of each subsequent year, beginning January 1, 2023.

Sec. 6. 35-A MRSA §3209-B, sub-§5, ¶A-2 is enacted to read:

A-2. The tariff rate for a customer participating in net energy billing under this section with a distributed generation resource not governed by paragraph A or paragraph A-1 must equal a rate determined by the commission to be comparable to the cost of electricity in the wholesale market. The commission shall update the tariff rate established in accordance with this paragraph no less frequently than annually.

SUMMARY

The amendment replaces the bill and does the following.

1. It amends the definition of net energy billing in the kilowatt-hour credit program to specify that a participating customer is billed on the difference between the supply charges for the kilowatt-hours delivered by a transmission and distribution utility and the credit amount for kilowatt-hours delivered by the customer. Under current law, a customer is billed on the basis of the difference between kilowatt-hours delivered to the customer and those delivered by the customer. The amendment does not allow the customer participating in net energy billing to offset transmission and distribution costs that the customer would otherwise pay.

2. It provides that, if a distributed generation resource does not reach commercial operation on or before December 31, 2024 and does not receive a good cause exemption due to external delays from the Public Utilities Commission, no more than 10 customers may share a financial interest in that distributed generation resource for the purposes of the kilowatt-hour credit net energy billing program.

3. It provides that, if a distributed generation resource does not have a net energy billing agreement executed on or before December 31, 2023 and does not reach commercial operation on or before December 31, 2024 or receive a good cause exemption due to external delays from the commission, no more than 10 customers may share a financial interest in that distributed generation resource for the purposes of the commercial and institutional net energy billing program.

4. It amends the law governing the tariff rates in the commercial and institutional net energy billing program to require the commission to exclude from those rates any portion of the effective transmission and distribution rate.

5. It requires the commission to establish and annually update the tariff rate applicable to commercial and institutional customers participating in net energy billing with distributed generation resources that do not have a net energy billing agreement executed on or before December 31, 2023, reach commercial operation after December 31, 2024 and have not received a good cause exemption due to external delays to a rate determined by the commission to be comparable to the cost of electricity in the wholesale market.