



Committee on Energy, Utilities and Technology  
% Legislative Information Office  
100 State House Station  
Augusta, ME 04333

February 27, 2025

**Re: Public Hearing, LD 359 *An Act to Prohibit Net Energy Billing by Certain Customers***

Dear Senator Lawrence, Representative Sachs and Members of the Committee:

Thank you for the opportunity to share testimony on behalf of the Maine Renewable Energy Association (MREA) in opposition to the sponsor amendment to LD 359, *An Act to Prohibit Net Energy Billing by Certain Customers*, shared with the Committee's interested parties list by email on February 21, 2025. MREA is a not-for-profit association of renewable energy producers, suppliers of goods and services to those producers, and other supporters of the industry. Our member companies include wind, solar, hydropower, biomass, and tidal energy generators and developers of such projects, as well as companies that provide services to those producers, such as environmental engineers, electricians, and general contractors.

Though LD 357 is distinguishable from LDs 32, 257, and 450 that propose to fully repeal Maine's net energy billing (NEB) program, MREA opposes the bill because (like LDs 32, 257, and 450) it undermines contracts and investments entered and relied upon by Maine residents, municipalities, school districts, and businesses across the state; undercuts one of the primary benefits of the NEB program (delivery benefits); and makes retroactive changes to a program that the Maine Legislature has already scaled back three times, thereby sully Maine's reputation as a reliable regulatory environment in which to do business.

Among the impacts of Section 1 of the bill amendment is that NEB residential customers that have rooftop or otherwise co-located solar systems would pay for the delivery of any electricity produced by their system to the grid at the full cost of that transmission and delivery. This is wholly contrary to the reality that electricity produced by these systems is utilized locally and therefore does not tax the transmission and delivery grid like non-distributed electrical generation, the utilization of which drives the cost of transmission and delivery. In fact, these "delivery" benefits are the greatest benefits produced by the NEB program, amounting to over \$44 million in monetizable benefits in 2023.<sup>1</sup> In the absence of compensating NEB customers

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<sup>1</sup> See Table 1, *Analysis of 2023 Net Benefits of Net Energy Billing Program, Sustainable Energy Advantage*, updated February 7, 2025.

for these delivery benefits, as LD 357 proposes to do, that benefit would befall Maine utilities – Maine utilities that did not invest in solar systems as NEB customers do. Section 4 proposes a similar change to the compensation of commercial and institutional NEB customers (i.e., “tariff rate” customers). These proposed changes undercut one of the primary benefits of the NEB program, as well as the investment made and relied upon by Maine residents and commercial and institutional entities, like Maine municipalities, school districts, and businesses across the state.

Municipalities, school districts, businesses, and residents across all Maine counties have a financial stake in the net-energy billing program. Over 110,000 Maine residents and businesses are NEB customers. This includes over 60 Maine schools and school districts, including Foxcroft Academy, RSU 9 (Farmington area), Veazie Community School, Millinocket, Madawaska, and RSU 73 (Livermore Falls area); at least 40 municipalities such as Presque Isle, Auburn, Limestone, Bucksport, and Rumford; and businesses like Hannaford, L.L. Bean, Pleasant River Lumber Company, and Oakhurst Dairy. Each of these entities utilize the NEB program to save on their utility bills, entering long-term contracts that inform long-term financial planning. For example, the Wells Ogunquit Community School District and the Town of Wells will save approximately \$2.5 million in reduced energy costs as a result of their NEB agreement. A non-exclusive list of entities enrolled in NEB, including Maine non-profits like MaineHealth and Northern Light Healthcare Systems, is included with this testimony. LD 359 would undercut the investments made by Maine residents and the energy savings rightfully anticipated and relied upon by Maine municipalities, school districts, businesses, and other institutions.

In addition to making retroactive changes to how NEB customers are compensated for the energy that they produce, LD 359 proposes to roll back a program that the Maine Legislature has already rolled back three times. Additional changes threaten to further sully Maine’s existing reputation as a reliable regulatory environment in which to do business, compromising confidence across the renewable energy industry. Bipartisan majorities in the 129th Legislature updated Maine’s NEB program for the purpose of launching a vibrant solar industry in Maine, guarding Maine against volatile fossil fuel markets, making Maine more energy independent, and decarbonizing our energy systems. The 130th Legislature restricted eligibility to projects operational by the end of 2024 and significantly reduced compensation for projects starting construction after September 1, 2022. The 131st Legislature effectively ended the *NEB Tariff Program* and further restricted the eligible project size of projects in the *kWh Credit Program*, as well as required the MPUC to formally account for program costs and benefits. By limiting shared financial interest in projects to 10 or less participants, LD 359 proposes to rollback the program to a semblance of what it was (prior to 2019) when Maine did not attract solar development at a scale to meaningfully contribute to the achievement of Maine’s clean energy goals or create a robust solar industry in the state.

This testimony is not an exhaustive criticism of LD 359, nor does it describe the considerable benefits of the NEB program to Maine ratepayers or the efforts afoot at the Maine Public Utilities Commission to address cost concerns raised by businesses related to NEB. Please see MREA’s testimony on LDs 32, 257, 450, and 515 for more information. We

encourage the Committee to consider that testimony as they contemplate this bill. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, reading "Eliza Donoghue". The signature is written in a cursive, flowing style.

Eliza Donoghue, Esq.  
Executive Director

***The following is a non-exclusive list of Maine towns, schools, non-profits, and businesses that participate in the Net Energy Billing program and that would be negatively impacted by LD 359.***

**Municipal**

- o City of Auburn
- o City of Belfast
- o City of Lewiston
- o City of Portland
- o City of Presque Isle
- o City of Rockland
- o City of South Portland
- o County of York
- o Town of Blue Hill
- o Town of Bowdoinham
- o Town of Camden
- o Town of Casco
- o Town of Cumberland
- o Town of Freeport
- o Town of Fryeburg
- o Town of Hope
- o Town of Kennebunkport
- o Town of Kittery
- o Town of Liberty
- o Town of Limestone
- o Town of Lincolnville
- o Town of Millinocket
- o Town of Mount Desert
- o Town of Norway
- o Town of Ogunquit
- o Town of Old Orchard Beach
- o Town of Poland
- o Town of Rumford
- o Town of Sanford
- o Town of Shapleigh
- o Town of Tremont
- o Town of Trenton
- o Town of Windham
- o Bangor Water District
- o Brunswick Sewer District
- o Brunswick/Topsham Water District
- o Bucksport Wastewater Treatment Facility
- o Farmington Water District
- o Kennebec Sanitary District
- o Limestone Water and Sewer District
- o Portland Water District

**Higher Education**

- o Bates College
- o Bowdoin College
- o Colby College

**Higher Education, cont.**

- o College of the Atlantic
- o Maine Community College System
- o Maine Maritime Academy
- o University of Maine
- o Thomas College

**Schools:**

- o Acton School Department
- o Auburn School Department
- o Dayton School District
- o Deer Isle/Stonington School District
- o Falmouth Public Schools
- o Five Town CSD - Camden Hills Regional High School
- o Foxcroft Academy
- o Madawaska School Department
- o Millinocket School Department
- o Mount Desert Island High School
- o Mt. Ararat High School
- o MSAD 11 – Gardiner/Pittston/Randolph
- o MSAD 15 – Gray/New Gloucester
- o MSAD 28 - Camden Rockport School District
- o RSU 9 – Farmington Area
- o RSU 10 – Rumford Area
- o RSU 14 – Windham/Raymond
- o RSU 24 – Sullivan Area
- o RSU 52 – Turner Area
- o RSU 55 – Hiram Area
- o RSU 73 – Jay Area
- o Union 69 - Hope Elementary School
- o Scarborough School Department
- o St. Dominic Academy
- o Veazie Community School
- o Waterville Public Schools
- o Windham Public Schools

**Nonprofit**

- o Auburn Housing Authority
- o Augusta Housing Authority
- o Bath Housing Authority
- o Brunswick Housing Authority
- o Caribou Assisted Living
- o Chewonki Foundation
- o Coastal Rivers Conservation Trust
- o Cumberland Animal Clinic

**Nonprofit, cont.**

- The Ecology School
- Fort Fairfield Housing Authority
- Good Shepherd Food Bank
- Hurricane Valley Farm
- Kieve/Wavus
- MaineHealth
- MaineGeneral Medical Center
- MDI Hospital
- Northern Light Healthcare System
- Old Town Housing Authority
- Portland Housing Authority
- Preble Street
- Saco Food Pantry
- South Portland Housing Authority
- Waterfall Arts
- Westbrook Housing Authority
- Wolfe's Neck Center
- York County Shelter
- 317 Maine Community Music Center

**Commercial**

- Allagash Brewing
- AVX Tantalum Corporation
- Bangor Beer Company
- Bangor Savings Bank
- Bath Iron Works

**Commercial, cont.**

- Bissell Brothers Brewing
- East Brown Cow
- Eastern Tire
- FedCo Seeds
- Grandyoats
- Gorham Savings Bank
- Hannaford
- L.L. Bean
- Luke's Lobster
- Machias Savings Bank
- Maine Beer Company
- Nestle Waters North America
- Oakhurst Dairy
- Pleasant Mountain Ski Area
- Pleasant River Lumber Co.
- Pratt & Whitney
- Pride Manufacturing Co LLC
- Shaw Brothers
- Shepard's Storage & Shepard's Toyota
- Split Rock Distilling
- Thompson's Point
- Thurston's Lobster Pound
- Walmart, Inc
- Wyman's of Maine