

# HOUSE OF REPRESENTATIVES

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## Testimony Presenting LD 515: An Act to Reverse Recent Changes Made to the Law Governing Net Energy Billing and Distributed Generation

Senator Lawrence, Representative Sachs, and distinguished members of the Committee on Energy, Utilities, and Technology, My name is Representative Michael Soboleski, and I am honored to present testimony in support of LD 515, legislation that seeks to undo recent changes to Maine's flawed Net Energy Billing (NEB) program. I strongly urge the committee to support this bill, as NEB has proven to be an unsustainable and inequitable policy that disproportionately increases costs for Maine's working families and small businesses while failing to deliver the promised environmental or economic benefits.

## **NEB's Burden on Ratepayers**

Net Energy Billing was originally designed as an incentive to encourage investment in renewable energy by allowing customers to receive bill credits for excess electricity generated by their solar installations. However, this well-intentioned policy has instead created a system that forces non-participating ratepayers to shoulder an unfair financial burden. The Maine Public Utilities Commission (PUC) has confirmed that NEB's cost-shifting mechanisms significantly drive up electricity rates for consumers who do not participate in the program.<sup>1</sup> Maine's electricity prices are already among the highest in the country, as of February 2025 we had the sixth highest rate kilowatt hour in the nation, only being surpassed by other certain New England states, as well as California and Hawaii.<sup>2</sup> Clearly, continuing a policy that artificially inflates rates for low- and middle-income households is simply unacceptable.

### **Inefficiency and Market Distortion**

NEB is not only expensive but also inefficient. It rewards large-scale solar developers and highincome individuals while doing little to improve grid reliability or lower overall energy costs. The structure of NEB inflates the value of the credits provided to participating customers beyond the actual market rate for electricity. This leads to excessive subsidies that distort Maine's energy market, undermining competition and discouraging investment in more cost-effective, long-term energy solutions.

<sup>&</sup>lt;sup>1</sup> https://mainemorningstar.com/2024/07/01/the-cost-of-solar-rate-increases-political-feuds-and-the-long-term-outlook/

<sup>&</sup>lt;sup>2</sup> Maine's rate is 26.3¢/kwh for residential customers. https://www.energybot.com/electricity-rates/ House District 73

#### **Minimal Environmental Impact**

While NEB proponents argue that the program advances Maine's climate goals, the reality is far less compelling. Maine's electricity grid is already among the cleanest in the nation, with renewable resources accounting for two-thirds of in-state generation.<sup>3</sup> Meanwhile, the state's primary sources of carbon emissions come from heating and transportation rather than electricity generation. Doubling down on costly and inefficient solar subsidies will do little to reduce overall emissions, especially when those funds could be better utilized in areas that yield greater environmental benefits, such as grid modernization, nuclear policy reform, or improved energy storage solutions.

#### A Call for Reform

Maine must transition away from wasteful and regressive energy policies like NEB and move toward market-driven solutions that promote affordability, reliability, and sustainability. Repealing NEB will restore fairness to our energy system and prevent further financial harm to ratepayers who can least afford higher utility costs. Instead of relying on government mandates and subsidies, Maine should focus on expanding access to competitive energy markets and encouraging private-sector innovation in clean energy development.

For these reasons, I respectfully urge the Committee to support LD 515 and vote "Ought to Pass." Thank you for your time and consideration, and I welcome any questions you may have.

Sincerely,

Michael A. Aubrilichi

Michael A. Soboleski State Representative

<sup>&</sup>lt;sup>3</sup> https://www.eia.gov/state/analysis.php?sid=ME House District 73