

Testimony of Jeffrey Jones, P.E (jeff@jonespe.com) in Support of: LD 839 An Act to Lower Consumer Electricity Costs by Prohibiting the Recovery Through Rates of Costs Attributable to Net Energy Billing

Senator Lawrence, Representative Sachs and esteemed members of the committee. I am Jeff Jones of Bangor. I run Maine Power, the Large Class Standard Offer Provider for most of the state.¹ I am here today speaking in favor of this bill as I did for the concept of the five NEB bills (Feb. 27 Public Hearing) because it tries to fix a much bigger problem than we had with REC prices and the Restructuring legislation, going back to the 1980s and 1990s.

I won't repeat my testimony for the five NEB repeal bills, but I'm all about AFFORDABILITY. The papers from the solar industry (that we heard repeatedly) show the dollar benefits of NEB to be greater than the costs.² I don't argue with the concept, but those are PUBLIC benefits and should be paid for by the PUBLIC, not as a regressive hidden tax in electric bills. I much more believe the critique of these reports from a Maine ratepayer AFFORDABILITY perspective. NEB is a

¹ I am a licensed Professional Engineer with an MBA. I have worked in the utility industry for almost fifty years, forty of those with a major utility where I served in many functions. I have always tried to make sure electric bills were fair and AFFORDABLE for our customers. I also volunteer with the Citizens' Climate Lobby, but today I am here as a concerned citizen and former utility rates manager in support of revising our Net Energy Billing (NEB) laws. Most of you know me from the last two sessions when we got bipartisan legislation passed to limit the costs of the old, existing renewables, saving customers about \$30 million dollars per year. That fixed an unforeseen public policy problem in the original renewable legislation. I am here today speaking in favor of this bill as I did for the concept of the five NEB bills (Feb. 27 Public Hearing) because it tries to fix a much bigger problem that is NEB and even the Restructuring legislation, going back to the 1980s and 1990s.

² I think that the first of the solar industry reports to be filed in Maine came out in 2015 when the solar industry's mantra was that they would be profitable if only their subsidies were big enough. These days, solar is said to be the cheapest form of electricity. If that's true, then they don't need big NEB subsidies.

loser if you look at it from a Maine perspective. The benefits are good, but the costs to Maine are too high.

NEB was designed to be a subsidy for little customers, not big solar farms. Now it's a billion-dollar problem. We got our wish for lots of solar energy, but now we need to put the genie back in the bottle. It doesn't make sense to pay twenty-five cents per kWh for the power that we could get through PUC long-term contracts for five cents.

NEB uses Maine electric customers to pay unnecessary and big subsidies to largely out-of-state solar farm developers. The excess payments are a huge loss to Maine ratepayers without direct benefits.

Maine electric customers pay for the public good enjoyed by others through the hidden NEB tax. That is an unfair cross-subsidization between Maine electric customers and out-of-state interests.

Now I do believe we should GRANDFATHER existing small installations collocated with an onsite load, and maybe those installations like municipalities with projects NEAR their loads. BUT there should be a size cut-off (like 100 kW) where larger projects would be ISO market generators, rather than virtual behind the meter as NEB. They would get fair value for their generation, and they would get REC revenues for the other value that they provide.

Thanks for your time and I hope you will agree.