



An Avangrid company

March 27, 2025

Testimony on behalf of Central Maine Power Company 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, Members of the Joint Standing Committee on Energy, Utilities, and Technology, my name is Kathleen Newman, Vice President of Government Affairs for Central Maine Power Company, submitting testimony 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.

CMP supports this proposal to move the cost of the net energy billing programs off our customer's bills and into the general fund. This is a more equitable way to pay for this program that more fairly allocates the costs and will aid in the transition to beneficial electrification.

We recognize that this is a difficult time to consider moving this program to the biennial budget, but please consider that this proposal does not increase the burden on Mainer's pocketbooks, it merely shifts it to a more equitable and progressive means of collection. By recovering NEB program costs through the general fund, rather than in rates, you will ease (or even eliminate) the burden on the lowest income customers and spread it to those customers, both residential and commercial, most able to pay.

A general fund appropriation also solves the thorny, and heavily litigated, issue of how to allocate NEB costs across rate classes. The MPUC is tasked with assigning NEB costs through either volumetric or fixed costs. Collecting public policy costs through rates is inconsistent with traditional "cost causer pays" rate setting and efforts to date have raised significant concerns as bill impacts are calculated.

We also believe this change will be advantageous for Maine's move to 100% renewable energy through beneficial electrification. As customers contemplate making the switch to electric heating and transportation, the cost of electricity is a major consideration and could discourage adoption.

Our support for this proposal should not be construed as a denial that there are benefits to the NEB program. But we believe the beneficiaries are broader than the subset of CMP (and Versant) ratepayers and should be applied to, and recovered from, the broader society (including customers of Maine's COU's) at large.

As the December, 2024 Sustainable Energy Advantage, LLC report - Status and Cost & Benefit Analysis of Maine's 2024 Solar Market¹ - lays out, the NEB program benefits can be evaluated three ways – Societal Perspective, Maine Perspective and Ratepayer Perspective.

**Table 16 -
2024 Solar Program Summary Cost and Benefit in Millions of Dollars by Analysis Perspective**

Benefit / Cost Category	Costs	Societal Perspective Benefits	Maine Perspective Benefits	Ratepayer Perspective Benefits	Maine Perspective Benefits (% of Societal)	Ratepayer Perspective Benefits (% of Societal)
Program Expense	\$142.66	N/A	N/A	N/A	100%	100%
kWh Credit Impact on Supply Cost	\$5.75	N/A	N/A	N/A	100%	100%
RPS Cost Reductions	N/A	\$0.00	\$0.00	\$5.11	100%	N/A
Energy Resale Revenue	N/A	\$15.75	\$15.75	\$15.75	100.0%	100.0%
Energy Price Suppression	N/A	\$67.11	\$9.13	\$9.13	13.6%	13.6%
Capacity Benefits	N/A	\$2.66	\$4.83	\$4.83	181.8%	181.8%
T&D Benefits	N/A	\$74.44	\$53.57	\$53.57	72.0%	72.0%
GHG and Environmental Benefits	N/A	\$50.51	\$50.51	\$0.00	100.0%	0.0%
Totals	\$148.41	\$210.48	\$133.81	\$88.40	63.6%	42.0%

This analysis shows clearly that the societal benefits of solar subsidies outweigh the ratepayer benefits. We think this argues for a more fair, equitable and progressive method of paying for the net energy billing program.

As noted, we recognize the difficulties of inserting a new \$150 million appropriation into the biennial budget. We would also support directing the Commission to undertake a study to further consider implementation of this proposal with a report back to this committee for further action.

Thank you for your consideration of our position.

¹ https://www.maine.gov/mpuc/sites/maine.gov/mpuc/files/inline-files/Maine-Solar-Y2024_CBA_Final%20V4.pdf, p. 37