MREA
Maine Renewable Energy Association

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

March 27, 2025

Re: Public Hearing, LD 839, An Act to Lower Consumer Electricity Costs by Prohibiting the Recovery Through Rates of Costs Attributable to Net Energy Billing

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

Thank you for the opportunity to share testimony in neither for, nor against LD 839, *An Act to Lower Consumer Electricity Costs by Prohibiting the Recovery Through Rates of Costs Attributable to Net Energy Billing*, on behalf of the Maine Renewable Energy Association (MREA). 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.

LD 839 would prohibit recovering certain costs associated with the net energy billing (NEB) program from ratepayers, instead reimbursing transmission and distribution utilities ("utilties") from the General Fund. MREA testifies neither for, nor against this bill because we are open to utilizing General Fund dollars to support renewable energy programs. However, we believe that bill as written, particularly its very near term "effective" date (June 30, 2026) is unreasonably disruptive and would result in great risk to utilities, the NEB program, and Maine individuals, businesses, municipalities, school districts, and other entities that rely on the program.

Per LD 839, certain costs associated with the kilowatt-hour credit program and the commercial and institutional program (or "tariff program") could not be incorporated in utility operating expenses and in turn be recovered from ratepayers. Instead, costs to the utilities would be paid from a "Net Energy Billing Cost Stabilization Fund", funded by the General Fund. This proposal, though grounded in a principle that MREA supports (utilizing taxpayer funds to support renewable energy programs) is exceptionally risky for utilities and, in turn, the NEB program and its offtakers. Under LD 839, utility reimbursement would be at risk every two years as the Maine Legislature considered the State's biannual budget. It is unreasonable to expect

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utilities to accept that risk. Though, should the bill advance, utilities may account for that risk and pass those costs on to the General Fund and Maine taxpayers.

The Maine Legislature has supported the concept of using the General Fund or other financial mechanisms, separate from ratepayer cost recovery, to support renewable energy programs. Last session's LD 1986, which sought to reduce the impact of the NEB program on ratepayers, included language that compelled the Commission to "conduct one or more proceedings to examine and evaluate opt-in program designs, including, but not limited to, designs that include long-term financial mechanisms and buy-down arrangements." *See* 35-A MRS §3209-E(2)(A) (2023). To our knowledge, such a proceeding has not commenced. In addition to exploring non-distruptive or risky uses of the General Fund, we ask that the Committee encourage follow-through on existing measures (such as LD 1986's "Opt-in programs") to reduce the impact of the NEB program on ratepayers.

Thank you for your consideration of our testimony.

Sincerely,

Eliza Donoghue

Eliza Donoghue, Esq.
Executive Director