

Testimony of Jeffrey Jones, P.E (jeff@jonespe.com) in Support of: LD 1321 An Act to Reform Net Energy Billing by Establishing Limitations on the Programs' Duration and Compensation

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.<sup>1</sup> But that's not why I'm here. I am here because I'm tired of seeing us throw money out the window. This bill tries to fix a much bigger problem than this committee fixed last session with the old REC legislation from the 1990s. That problem was \$30 million per year. This one is \$30 million a month.

NEB was a little mistake made back in the 80's, but I believe that you have the power to fix what has become a monster. I won't repeat my testimony for the five NEB repeal bills, but we heard a lot about the SEA study filed at the PUC. The OPA's consultant looked at that study and found two major problems.

First, SEA underestimated costs. The OPA's analysis of costs of Maine NEB programs were filed at the MPUC on Monday in Docket 2024-00149 at over \$368 million. There are roughly 600,000 households in Maine, so NEB on a household basis is costing over \$600 per year or \$50 per month. That's on a par with the three basic parts of the electric bill: transmission, distribution, and supply. We need to fix this huge problem.

Second, NEB is a loser if you look at it from a Maine perspective. I thought that was what the MPUC was supposed to do. The papers from the solar industry show the dollar benefits of NEB to be greater than the costs,<sup>2</sup> but that is just not true for Maine. The OPA's consultant also presents a review of the SEA report in that docket. They didn't quibble with the SEA's estimated benefits, but took those results at face value from a jurisdictional (Maine Perspective) and there are only \$93 million in benefits. When I worked for the utility, we would never get away with a PUC filing for a CPCN that benefits out-of-state interests at the expense of Maine

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<sup>1</sup> I am a licensed Professional Engineer (electric power) 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.

<sup>2</sup> I think that the first of the solar industry reports to be filed in Maine was ten years ago when the solar industry's mantra was that they would be profitable if only their subsidies were big enough. These days, solar developers say it is the cheapest form of electricity. If that's true, then they don't need big NEB subsidies.

ratepayers. Common sense says don't pay over \$368 million for benefits of \$93 million.

I do have one suggestion on this bill and that is to require the larger generators to assign their RECs to the utilities to resell to offset the costs of the program, because supply prices already include the value of the RECs. Otherwise, that would be a double-counting.

I still 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 60 kW) where larger projects could bid into the commission's Long Term Contract RFPs. They'd get market value for their generation, and they could get REC revenues for the other value that they provide.

Thanks for your time and I hope you will agree.