



Natural Resources Council of Maine

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**Testimony in Opposition to LD 1321,
An Act to Reform Net Energy Billing by Establishing Limitations on the Programs'
Duration and Compensation**

**To the Joint Committee on Energy, Utilities and Technology
by Rebecca Schultz
Senior Advocate for Climate and Clean Energy
April 10, 2025**

Senator Lawrence, Representative Sachs, members of the Energy, Utilities and Technology Committee, my name is Rebecca Schultz, and I am a Senior Advocate for Climate and Clean Energy with the Natural Resources Council of Maine (NRCM). NRCM is Maine's leading nonpartisan environmental advocacy organization with nearly 20,000 members and supporters statewide, on whose behalf I am testifying today in opposition to the Sponsor's Amendment to LD 1321, distributed on April 8, 2025.

While we appreciate the sponsor's interest in taking additional steps to wind down Maine's net energy billing (NEB) program to reduce costs for Maine ratepayers, we have significant concerns with the bill's approaches.

LD 1321 would arbitrarily limit the kilowatt-hour (kWh) program to 60 kilowatts (kW), a size that would make "community" or shared investment models mostly uneconomical. This size-cutoff would also effectively prohibit medium-to-larger commercial facilities with suitable rooftops from installing solar technology, an application widely considered one of the most preferable, for being co-located with load, having little visual impact, and avoiding land-use competition.

The bill would also establish a blunt 2045 program termination date, which we find very concerning as it would erect an untenable barrier for project economics, incrementally making these kinds of investments in energy independence out of reach for Maine people, depriving even households and small businesses of the option of investing in their own rooftop arrays.

Similar to LD 359 heard by this Committee last month, LD 1321 would impose drastic and disruptive retroactive changes to compensation levels for existing operational projects. The bill proposes charging Maine solar customers full transmission and distribution (T&D) prices for the excess power they deliver to the grid, even if it's used next door.

Electricity in this program is produced locally and consumed locally and therefore largely avoids the upstream T&D system. In fact, T&D benefits are the largest category of benefits for solar projects connected to Maine's distribution system, benefits that reduce costs for all Maine ratepayers. As described in the Public Utilities Commission's reports to the Legislature prepared by Sustainable Energy Advantage, these benefits include:

- Avoided T&D line losses: By generating energy closer to where it's consumed, we save 8-10% of electricity lost through long-distance transmission.
- Avoided T&D investments: Adding solar to the distribution system can delay and avoid the need for costly upgrades to meet load growth due to electrification of heating and transportation.
- Avoided regional network charges associated with Maine's use of the shared New England transmission system.

To be clear, avoided costs are real savings that otherwise would be on Maine ratepayers' bills today.

By making solar customers pay full transmission and distribution prices, LD 1321 would undervalue the benefits these projects provide and undermine the economics that allow these investments to be made in Maine's electricity system.

LD 1321 will ultimately penalize the off-takers. Those are the 113,000 solar customers, the Maine households, businesses, municipalities, school districts, and nonprofits, who as early adopters sought to use this program to invest in the state's energy future.

As far as we understand, none of the bills that have come before the Committee thus far proposing wholesale repeals or drastic cuts to operational project compensation have addressed the question of how to protect these entities across the state from the cascade of budgetary, contractual, and other upheavals that would result from these proposed changes.

In sum, we urge the Committee to vote **Ought Not to Pass on LD 1321**.

Thank you for your consideration of these comments. I would be happy to answer any questions the Committee has.