Central Maine Power

An Avangrid company

April 10, 2025

Testimony on behalf of Central Maine Power Company Neither For Nor Against:

LD 1317: An Act to Promote Responsible, Cost-effective Energy in Maine by Amending the Tariff Rates Applicable to the Commercial and Institutional Net Energy Billing Program

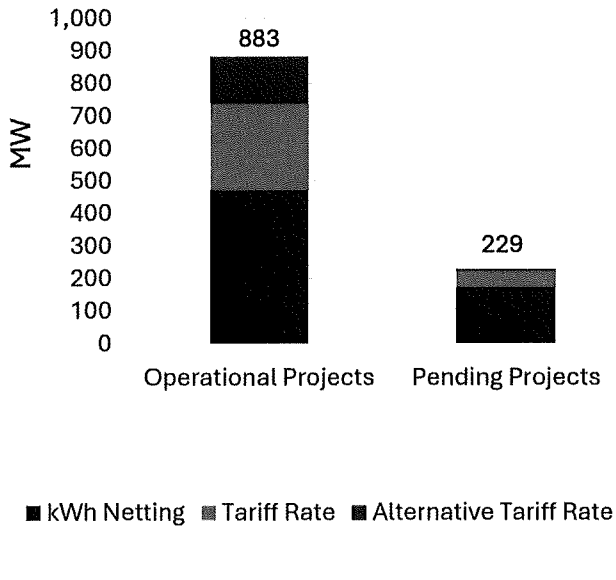
LD 1321: An Act to Reform Net Energy Billing by Establishing Limitations on the Programs' Duration and Compensation

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 Neither For Nor Against the two bills referenced above.

As I indicated in testimony on previous NEB-related bills, CMP supports the cost effective achievement of the state's climate and energy goals. Our goal is to provide you with factual information for your consideration as you weigh your decision on this important policy matter.

Below are updated figures for the number and capacity of projects in the queue.

NEB Operational and Non-Operational Capacity from Projects through March 2025



As of March 31, 2025, CMP had 14,813 operational projects enrolled in the NEB program – 2 less than we had at the end of January, though capacity has increased to 883 MW.

Operational projects are serving 76,028 unique customers in the kWh netting program and 3,758 in the tariff program, compared to 74,528 and 3,640 respectively two months ago.

There are 1,483 projects remaining in the queue representing over 228 megawatts. These are projects with an executed NEB Agreement that are not yet operational, or that have filed an application but have not yet executed an NEB Agreement.

Combined, pending and operational NEB projects now total 1,112 megawatts – up from 1,098 in January.

In previous testimony we provided the monthly summary of net energy billing agreements that the MPUC uses to evaluate the effectiveness in achieving the State policy goals and benefits to ratepayers.

The spreadsheet below shows the most recent estimated NEB program costs. Under current conditions, the estimate cost for operational and pending projects combined is $221,703,694, down from a projected $234,829,880 in January.

Summary of Net Energy Billing Agreements
Central Maine Power Company
Through March 31, 2025

	Capacity (kW)	Percent of Peak Demand (7)	Number of Projects	Average Project Size (kW)	Estimated Annual Production (kWh)	Estimated Annual Delivery Revenue Loss from kWh Netting Agreements	Estimated Annual Gross Payments for Tariff Rate Agreements	Estimated Annual Net Expense from Tariff Rate Agreements
Operational Projects								
kWh Netting Agreements	473,531.28	29.82%	14,597	32	767,784,055	$94,904,251		
Tariff Rate Agreements	266,728.88	16.80%	181	1,474	450,219,276		$91,027,584	$61,232,073
Alternate Tariff Rate Agreements	142,470.02	8.97%	35	4,071	248,810,714		$33,939,274	$17,472,981
Total	882,730.18	55.60%	14,813	60	1,466,814,045		$124,966,859	$78,705,054
Active Non-Operational Projects (1)								
kWh Netting Agreements	86,158.00	5.43%	87	990	150,231,372	$18,569,799		
Tariff Rate Agreements	32,548.90	2.05%	50	651	57,025,673		$11,529,736	$7,755,777
Alternate Tariff Rate Agreements	5,915.00	0.37%	6	986	10,363,080		$1,413,586	$727,758
Total	124,621.90	7.85%	143	871	217,620,125		$12,943,322	$8,483,534
Pending Projects (2)								
kWh Netting Agreements	86,893.34	5.47%	1306	67	140,536,451	$17,371,430		
Tariff Rate Agreements	17,431.90	1.10%	34	513	26,981,545		$5,455,264	$3,669,625
Alternate Tariff Rate Agreements	-	0.00%	0	-	0		$0	$0
Total	104,325.24	6.57%	1340	78	167,517,996		$5,455,264	$3,669,625
Total Projects								
kWh Netting Agreements	646,582.62	40.72%	15,990	40	1,058,551,878	$130,845,481		
Tariff Rate Agreements	316,709.68	19.95%	265	1,195	534,226,494		$108,012,584	$72,657,474
Alternate Tariff Rate Agreements	148,385.02	9.35%	41	3,619	259,173,794		$35,352,861	$18,200,739
Total	1,111,677.32	70.02%	16,296	68	1,851,952,166		$143,365,444	$90,858,213

Notes:
(1) Reflects projects with an executed Net Energy Billing Agreement but that are not yet operational.
(2) Reflects projects that have filed an application but have not yet executed a Net Energy Billing Agreement.
(3) Among active operational NEB agreements, there are 659 shared financial interest projects including 14 co-owned projects (1 wind and 13 solar farms).
(4) There are approximately 2,188 Net Energy Billing Agreements with multiple accounts. There are 107 agreements that have not yet defined off-taker accounts.
(5) There are approximately 89,966 customer accounts currently associated with Net Energy Billing Agreements.
Note, some customers may participate in multiple projects, so the actual number of unique number of NEB customers would be less.
(6) CMP Annual Peak Demand for 2025 1,587.70 MW

Summary of Net Energy Billing Agreements
Central Maine Power Company
Through January 31, 2025

	Capacity (kW)	Number of Projects	Average Project Size (kW)	Estimated Annual Production (kWh)	Estimated Annual Delivery Revenue Loss from kWh Netting Agreements	Estimated Annual Gross Payments for Tariff Rate Agreements	Estimated Annual Net Expense from Tariff Rate Agreements
Operational Projects							
kWh Netting Agreements	468,263.39	14,099	33	760,482,475	$92,880,767		
Tariff Rate Agreements	265,748.48	177	1,501	448,909,131		$90,762,693	$70,956,822
Alternate Tariff Rate Agreements	142,469.02	35	4,071	248,808,962		$33,939,035	$22,961,584
Total	876,480.89	14,311	61	1,458,200,568		$124,701,728	$93,918,406
Active Non-Operational Projects (1)							
kWh Netting Agreements	82,563.00	82	1,007	143,932,932	$17,579,105		
Tariff Rate Agreements	31,885.90	48	664	55,864,097		$11,294,882	$8,830,158
Alternate Tariff Rate Agreements	6,890.00	7	984	12,071,280		$1,646,595	$1,114,010
Total	121,338.90	137	886	211,868,309		$12,941,477	$9,944,169
	221,855.93						
Pending Projects (2)							
kWh Netting Agreements	79,925.43	1560	51	126,596,336	$15,461,717		
Tariff Rate Agreements	20,591.60	40	515	31,921,790		$6,454,107	$5,045,718
Alternate Tariff Rate Agreements	-	0	-	0		$0	$0
Total	100,517.03	1600	63	158,518,126		$6,454,107	$5,045,718
Total Projects							
kWh Netting Agreements	630,751.81	15,741	40	1,031,011,743	$125,921,588		
Tariff Rate Agreements	318,225.98	265	1,201	536,695,018		$108,511,682	$84,832,698
Alternate Tariff Rate Agreements	149,359.02	42	3,556	260,880,242		$35,585,630	$24,075,594
Total	1,098,336.81	16,048	68	1,828,587,003		$144,097,313	$108,908,292

Notes:
(1) Reflects projects with an executed Net Energy Billing Agreement but that are not yet operational.
(2) Reflects projects that have filed an application but have not yet executed a Net Energy Billing Agreement.
(3) Among active operational NEB agreements, there are 614 shared financial interest projects including 14 co-owned projects (1 wind and 13 solar farms).
(4) There are approximately 2,140 Net Energy Billing Agreements with multiple accounts. There are 108 agreements that have not yet defined off-taker accounts.
(5) There are approximately 100,706 customer accounts currently associated with Net Energy Billing Agreements.
Note, some customers may participate in multiple projects, so the actual number of unique number of NEB customers would be less.
(6) CMP Annual Peak Demand for 2024 1665.1

The most significant difference is in the costs associated with the Tariff Rate Program. Each month, the net expense from tariff rate agreements are estimated using the forecasted energy market prices from the Intercontinental Exchange (ICE). For March the estimated market rate ($/kWh) from ICE was $0.06618. In January the estimated market rate was $0.04412, resulting in lower net expenses from Tariff Rate agreements.

Current NEB-related costs that are being recovered in rates via the stranded cost mechanism are shown below. We've added a new column for the updated new projections – recognize that these numbers still need to be approved by the MPUC.

The costs associated with the NEB program that are recovered through stranded costs are expected to increase over the $113.5 million included in the fixed public policy charge today to $146.9 million, an increase of $33.4 million.

CMP NEB Costs: NEB stranded cost recovery

$ in millions

Component	Currently Collected in Rates (7-2024 thru 6-2025)	Updated NEB Costs Projected (7-2025 thru 6-2026)	Explanation
NEB kWh Netting Program	19.5	46.9	kWh credited times distribution component of rate (average CMP distribution rate of 0.065565 cents per kwh)
NEB Tariff Program	90.5	90.9	Difference between the credit applied and the energy sold to ISO-NE at wholesale NEB Credit = SOP plus 75% highest commercial rate
NEB Capacity Revenue	(0.5)	(0.3)	Chapter 313 Forward Capacity sharing with the utility
NEB Administrative	0.6	0.9	CMP costs to administer the program
NEB Reallocation w/ Versant	3.4	8.5	Policy cost reconciliation between CMP and Versant
NEB Total in Public Policy Charge	**$113.5**	**$146.9**	**Collected in the utility service charge**

Finally, I previously provided this chart showing the monthly fixed cost by customer class. This continues to be the topic of a proceeding at the MPUC which will result in reallocation of the updated cost figures.

CMP Collection of NEB costs Based on Revenue Requirement in Effect January 1, 2025

Rate Class (1)	Assumed Monthly Customer Count (2)	Total Delivery Revenue Requirement (3)	NEB Cost ($) of Total Delivery Requirement	NEB Cost per Month	NEB as a percent of Total Delivery Requirement
Residential Rate A	588,888	$ 687,525,120	$ 49,893,941	$ 7.06	7.26%
A-TOU	4,936	8,423,622	476,799	$ 8.05	5.66%
ALM	166	91,884	2,196	$ 1.10	2.39%
Small General Service (<20 kW)	65,884	98,314,022	$ 8,147,496	$ 10.31	8.29%
Small General Service - TOU (<20 kW)	539	2,191,015	102,291	$ 15.83	4.67%
Medium General Service - Secondary (>20 - 400 kW)	11,808	175,553,927	$ 23,968,004	$ 169.15	13.65%
Medium General Service - Secondary - TOU (>20 - 400 kW)	171	3,489,281	$ 384,456	$ 187.54	11.02%
Medium General Service - Primary (>20 - 400 kW)	210	5,645,158	$ 882,612	$ 350.21	15.63%
Medium General Service - Primary - TOU (>20 - 400 kW)	25	1,382,042	141,717	$ 466.19	10.25%
Intermediate General Service - Secondary (>400 - 1,000 kW)	211	33,780,137	$ 5,325,098	$ 2,103.80	15.76%
Intermediate General Service - Primary (>400 - 1,000 kW)	66	13,051,035	$ 1,843,598	$ 2,322.50	14.13%
Large General Service - Secondary (>1,000 kW)	12	7,978,090	$ 988,961	$ 6,699.96	12.40%
Large General Service - Primary (>1,000 kW)	62	48,833,399	$ 7,313,848	$ 9,880.62	14.98%
Large General Service - Sub-Transmission	52	31,680,106	$ 7,098,131	$ 11,469.76	22.41%
Large General Service - Transmission	27	21,594,896	$ 6,812,527	$ 20,699.92	31.55%
Total	**673,058**	**$ 1,139,533,733**	**$ 113,381,675**		**9.95%**

(1) Core Rate Classes Only and Optional Rate Classes only - Area/Street Lighting Customers not included
(2) Projected Monthly Number of Customers Billed for 2025. Core and Optional Rate Classes only. Area/Street Lighting Customers not included
(3) Total Delivery Requirement includes Transmission, Distribution, Stranded costs, ELP and EMT – no Supply

I hope this information is helpful. We remain committed to working with parties to consider amendments to the NEB programs that result in savings to our customers. Please let us know if you need further information.

Kathleen Newman
Vice President, Government Affairs
Central Maine Power Company

CMP NEB Programs and Participation

	kWh Program		Tariff Program
	Privately owned	Shared or Community	
Qualifying Projects	Renewable Generators < 1 MW in size[1]		
Eligible Customers (3/31/25)	All electric utility customers (667,731)		Non-residential utility customers (79,266)
Description	• Customer generates kWh which are applied to account(s). • Customer is billed/credited net kWh (use-generation) plus fixed charges • **Credit only applies to kWh consumption charges.**	• Customer purchases kWh at a discounted rate which are applied to account(s). • Customer is billed/credited net kWh (use - purchase) plus fixed charges. • **Credit only applies to kWh consumption charges.**	• Customer is credited NEB Tariff rate based on their share of facility's output. • **Credit applies to all charges** (fixed, demand and energy, both T&D and supply). • Customer is billed anything not offset by credits.
Participants (3/31/25)[2]	76,028		3.758
Costs[3]	$19,500,000		$90,500,000
Projected Costs (7-2025 to 6-2026)	$46,900,000		$90,900,000
NEB stranded costs	• Utility lost revenue associated with difference between kWh customer consumed and the kWh customer is billed. • Example: Customer consumes 750 kWh, received 500 kWh NEB credit and is billed 250 kWh. • Stranded cost results from 500 kWh times the distribution component of utility rate.		• NEB Tariff Rate[4] credit is calculated as SOP price plus 75% highest commercial rate multiplied by the customer's share of project. • Stranded cost is difference of NEB tariff credit less value of energy sold at wholesale.

(1) Renewable generators <5MW modified by legislation now currently less than 1MW
(2) Count of participants reflects unique customers. Customers may be enrolled in multiple programs
(3) NEB stranded costs in CMP rates (7-2024 thru 6-2025)
(4) MPUC sets the tariff rate and alternate tariff rate annually