

April 30, 2025

Senator Mark Lawrence
Representative Melanie Sachs
Joint Committee on Energy, Utilities, and Technology
Legislative Information Office
100 State House Station
Augusta, Maine 04333

Testimony in Opposition to LD 1777, "An Act to Clarify Tariff Rates for Nonresidential Customers Participating in Net Energy Billing with a Distributed Generation Resource"

Senator Lawrence, Representative Sachs, and Members of the Joint Standing Committee on Energy, Utilities, and Technology:

My name is Adam Lee, and I am a resident of Cumberland. I appreciate the opportunity to speak to you all today, and I am present in opposition to both LD 1777. As I have testified in the past, all homeowners and businesses need predictability, LD 1777 seems to be a little too open ended.

After investing in solar and storage for my own home and understanding both the costs and benefits, my family's company, Lee Auto Malls, installed rooftop solar onsite for some of our facilities, too. In 2024, we installed a 100kW AC array on Lee Nissan in Topsham, and a 120kW AC array on Lee Toyota. These small arrays were installed on-site to directly serve our load. Both projects participate in the state's Tariff Rate Program. In the next year I plan to build an additional service department in Topsham, and plan to add more solar to this project.

The legislation before you today, LD 1777, attempts to reduce program costs by asking the Public Utilities Commission to set the rates for this program. While business owners like myself surely appreciate the language in the bill that says these rates should be "just and reasonable" to developers and customers like us, it makes me uncomfortable.

- First, it says the Commission may "establish and revise rates as needed." I think there needs to be a minimal time period between changing rates structures. 4 years, 5 years? I am not sure what the right amount of time is, but no one is going to put up solar on their home or business if they are worried the program might change next year.
- Second, the legislation appears to be assuming a specific ownership model for all projects. The two projects we installed are both owned outright by Lee Automalls. We hired a company for the development, engineering, procurement, and construction, and once the projects were energized, we became the sole owner. There is no developer or investor involved. The legislation before you today indicates rates are just and reasonable only if they offer the developer the opportunity to earn a fair profit from project operation. If that is the case, how would a be rate determined for projects like ours?

Overall, the bill introduces a significant level of uncertainty for Tariff Rate customers—customers that include many small businesses, like us, across the state. If program changes are made, they should not be this open ended. The municipalities, schools, special districts, and businesses in this program deserve reasonable clarity to be able to properly forecast and budget for costs. Given projects were developed under specific financial expectations, we believe it is wholly unfair to entirely change course and not even set expectations moving forward.

Maine has lowest cost electricity in New England and the cleanest. Our use of solar, wind and hydro are one reason why. Hundreds of millions of dollars have been invested in solar power in Maine. These investments benefit the entire state, including people and businesses that are not using solar. We don't want to kill this industry.

I urge the Committee to vote no on LD 1777. Changes do need to be made, but this bill needs to be modified for the good of Maine. Thank you for your time.

Sincerely,

Adam Lee
Cumberland
Chairman of the Board, Lee Auto Malls