



STATE OF MAINE
PUBLIC UTILITIES COMMISSION

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**Testimony of the Maine Public Utilities Commission
Neither For Nor Against**

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

May 1, 2025

Senator Lawrence, Representative Sachs, and Distinguished Members of the Joint Standing Committee on Energy, Utilities, and Technology (Committee), my name is Deirdre Schneider, testifying neither for nor against LD 1777, An Act to Clarify Tariff Rates for Nonresidential Customers Participating in Net Energy Billing with a Distributed Generation Resource on behalf of the Public Utilities Commission (Commission).

LD 1777 requires the Commission to establish and revise both tariff rates by rule under the commercial and institutional net energy billing program to ensure that the rate is just and reasonable to a developer of distributed generation resource and a customer by providing that a developer has a reasonable opportunity to earn a fair profit from the operation of the distributed generation resource. It limits the rate to no more than 1.5 times the average tariff rate set by other states in the region. It requires this new rate to be established by January 1, 2026.

While the Commission can undertake this directive and sees potential value in this exercise, we have a few concerns to note for the Committee's consideration. One concern is the timing of the establishment of the rate. The Commission would first conduct an inquiry to receive input from stakeholders, consider the input received, conduct internal analysis (potentially with the assistance of a consultant) and then initiate rulemaking. The rulemaking process itself generally takes at least a few months to complete. In order to establish a rate that is just and reasonable, the Commission requests that new rates be established by January 1, 2027, instead of January 1, 2026.

The Commission also has concerns with the requirement that the rate be informed by the average tariff rates set by other states. If the goal is for these new rates to be just and reasonable, a comparison to rates in other states in the region may add an unnecessary layer of complexity. Additionally, programs in other states are unique and it may be difficult to compare when engaging in this analysis. The Commission will ensure that any rate established will meet the requirements specified in LD 1777 and will minimize ratepayer impacts to the greatest extent possible.

Lastly, LD 1777 can be read that the Commission would establish individual rates for each developer as it requires the Commission to "ensure the rate is just and reasonable to a developer." If this is the intent this would be a massive undertaking and does not lend itself to rulemaking. It may be helpful if the language in the bill made it explicit that there would be one rate established under each section.

I would be happy to answer any questions or provide additional information for the work session.