CCSA

May 13, 2025

Senator Mark Lawrence, Chair
Representative Melanie Sachs, Chair
Committee on Energy, Utilities, and Technology
100 State House Station
Augusta, ME 04333

Re: Testimony in Opposition to LD 1936

Dear Senator Lawrence, Representative Sachs, and Members of the Energy, Utilities and Technology Committee:

Please consider this testimony in opposition to LD 1936. The Coalition for Community Solar Access (CCSA) is a national Coalition of businesses and non-profits working to expand customer choice and access to solar for all American households and businesses through community solar. Our mission is to empower every American energy consumer with the option to choose local, clean, and affordable solar.

CCSA strongly opposes this bill's treatment of the investments solar companies have made in clean energy, the grid, and Maine customers. This bill discriminates against out-of-state companies, a feature that is intentional but is both misguided and likely unconstitutional. While we defer to legal experts on the specific implications under the Commerce Clause, it is clear that erecting barriers to investment based on the geographic headquarters of a company undermines the very goals Maine has set for its energy future. These "out-of-state" companies have employees across the state, pay lease revenues to Maine landowners, spend real dollars in local communities, partner closely with small businesses, and deliver direct savings to thousands of Maine residents, businesses, nonprofits and municipalities.

Modern infrastructure projects—including those that deliver climate benefits—require significant capital. When U.S.-based or international firms choose to invest in Maine, those investments support local jobs, strengthen the grid, and lower long-term costs for Maine ratepayers. Rejecting out-of-state investment runs counter to common sense and economic necessity. If the Legislature passes a bill specifically punishing out-of-state investment, it makes it far less likely to attract future projects.

As we have stated in prior testimony this session (see CCSA Testimony on LD 1777), the Public Utilities Commission (PUC) rate-setting structure proposed for out-of-state companies is unworkable and introduces uncertainty for both existing and future projects. Even for projects wholly owned by Maine-based entities, the proposed 9.5 cent tariff rate is unsustainably low—so low, in fact, that it would put nearly all projects under water and eliminate their ability to serve

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their customers. Taking this action could be considered a regulatory taking and would almost certainly result in legal action against the State of Maine from in-state and out-of-state project owners alike.

LD 1936 also proposes a new commercial operation date (COD) deadline that undermines Good Cause Exemptions previously granted by the Public Utilities Commission. This contradicts the original legislative intent of the Good Cause Exemption process and unfairly penalizes projects that are delayed — by definition — due to factors outside developers' control.

Similarly, imposing a new COD deadline within five months for projects currently in development is both impractical and punitive. It will likely overwhelm the PUC with petitions and penalize developers who have acted in good faith under existing rules. If the Committee seeks to close the current net energy billing (NEB) program, it should do so through a forward-looking milestone—such as halting the issuance of new NEB agreements—not by retroactively undermining projects already in progress. A responsible transition must also coincide with the development of a workable successor program.

In regards to Section 4 of the bill, CCSA agrees it is important to serve low-income customers through community solar, and we can and should make reforms to NEB to facilitate low-income customer participation. However, we believe this shared goal can be achieved with a better customer experience, improved market stability, and lower litigation risk if done on an opt-in basis. Mandating replacement of terminated customers with LIAP customers will eventually remove the ability of projects to serve any moderate- or middle-income customers. In our experience, the best low income community solar program designs in other states allow middle- and upper-income customer participation at a lower discount rate, which can allow the project sponsor to provide deeper discounts to low income customers while preserving the financial viability of the project. Importantly, such reforms must not be paired with retroactive changes to rate structures, which only limit a project's ability to pass on savings to the target customers.

At a time when the economic environment and federal uncertainty are already complicating renewable energy investment, and climate change is at our doorstep, Maine must avoid policy actions that increase market risk and deter investments in a clean energy future. Retroactive changes will raise the cost of capital, hinder the state's ability to deploy clean energy solutions, and damage Maine's reputation as a reliable place to do business.

In considering the many NEB reform and repeal bills that have come before you this session, we urge the Committee to be clear-eyed about the true impacts of these reforms. It may be politically expedient to craft a policy that punishes out of state companies for high ratepayer bills, or to blame renewable energy programs for rising and volatile electricity rates. However, the reality is that these projects were built to serve Maine customers, and those customers will

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be collateral damage in a quest to reduce revenues to project owners. Ultimately, every Mainer will suffer—through higher energy costs, a slower transition to clean energy, and a chilling effect on future investment in the state.

We thank you for your consideration of this testimony, and are happy to provide any further information as helpful to the Committee.

Sincerely,

/s/ Kate Daniel
Northeast Regional Director
Coalition for Community Solar Access

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