



STATE OF MAINE
PUBLIC UTILITIES COMMISSION

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Testimony of the Maine Public Utilities Commission

Neither For Nor Against

LD 1936, An Act to Provide Greater Equity in and Reduce Costs Related to the State's Net Energy Billing Program

May 13, 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 1936, An Act to Provide Greater Equity in and Reduce Costs Related to the State's Net Energy Billing Program on behalf of the Public Utilities Commission (Commission).

While the Commission has no specific input on the policy proposed in LD 1936, we do have a couple of concerns we would like to note for the Committee's consideration.

Section 4 of LD 1936 requires the Commission to adopt rules to create a process for the random selection and automatic enrollment of a customer enrolled in the low-income assistance program (LIAP) into a distributed generation resource project with a shared financial interest when a participating customer terminates their participation. This may not achieve the desired outcome because the benefit received under LIAP cannot be used to pay a project sponsor. The LIAP benefit is designed to make a customer's electric bill affordable. The LIAP customer under LD 1936 would receive their LIAP benefit and any credits generated by their participation in a net energy billing project but then would receive a bill from the project sponsor. This bill may not be affordable, and that customer could not offset that bill with their LIAP benefit. The only way this may work is if there was consolidated billing, whereby the utility billed for both utility service and project participation; however, consolidated billing poses several issues, including the cost to all ratepayers to implement this type of billing arrangement.

Section 6 of the bill may need some further clarification if this bill moves forward. If the intent is to specify that for a project that is less than one megawatt, that is not a consumer-owned small project or a single customer-owned on-site project a net energy billing agreement must be entered into by October 1, 2025, and that project must reach commercial operation by the date specified in that agreement in order to participate in net energy billing then the language may need to be amended. Currently, it reads that the project would need to meet commercial operation by the date specified in the agreement entered into by October 1, 2025, but does not set October 1st as the deadline to enter into an agreement specifically. It may be implied, but setting this requirement out more specifically would remove any ambiguity if this is the intent. It is also our understanding that the net energy billing agreements do not contain an expected commercial operation date. If this is the case, this section may need further refinement to achieve the intent.

Sections 9 and 13 require a different rate structure for nonresident program owners under both the kilowatt-hour program and the tariff rate program. It requires the Commission to establish rates for owners and customers of nonresident owned projects. This requirement may raise commerce clause issues due to the different treatment of Maine owned facilities versus nonresident owned facilities. Furthermore, establishing these rates would be a massive undertaking that would essentially result in individual rate cases for each project and is something that cannot be accomplished by January 1, 2026. Each project would need to be assessed to ensure that the owner and customer receives a just and reasonable rate, and the owner has a reasonable opportunity to earn a fair profit while ensuring a cost-to-benefit ratio for ratepayers as close to equal as possible. Additionally, as this appears to contemplate differing rates for projects, it may not be something that lends itself to rulemaking. Section 11 also contemplates a similar process for Maine-owned project owners that petition the Commission for a differing rate, if the 9.5 cents (plus 2.25% annually) rate established in the bill would result in making the project financially unviable. The Commission assumes many projects will petition the Commission under this allowance.

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