MREA
Maine Renewable Energy Association

Committee on Energy, Utilities and Technology
% Legislative Information Office
100 State House Station
Augusta, ME 04333

May 15, 2025

Re: Public Hearing, LD 1964, An Act to Require the Development of a Standard Written Disclosure for Sellers and Installers of Distributed Generation Resources, to Make Changes to Other Standard Disclosures and to Make Misrepresentation in the Sale of Electricity Products an Unfair Trade Practice

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

Thank you for the opportunity to share testimony in opposition to LD 1964, *An Act to Require the Development of a Standard Written Disclosure for Sellers and Installers of Distributed Generation Resources, to Make Changes to Other Standard Disclosures and to Make Misrepresentation in the Sale of Electricity Products an Unfair Trade Practice*, on behalf of the Maine Renewable Energy Association (MREA). MREA is a not-for-profit association of renewable energy producers, suppliers of goods and services to those producers, and other supporters of the industry. Our member companies include wind, solar, hydropower, biomass, and tidal energy generators and developers of such projects, as well as companies that provide services to those producers and developers, such as environmental engineers, electricians, and general contractors.

Though MREA positions itself as oppositional, there are many elements of the bill (all of which are in the originally printed version) that we support because they afford important consumer protections and would serve to educate net energy billing (NEB) and distributed generation customers on the product they are purchasing or otherwise consuming. Specifically, we support:

- Making misrepresentation as a representative or affiliate of a utility or governmental official or program in the sale of an energy product a violation of the Maine Unfair Trade Practices Act (Sec. 1);
- Requiring that certain information be included in a standard disclosure form provided by project sponsors to NEB customers (Sec. 3) (see suggested friendly amendment below); and

- Requiring the Attorney General to develop by rule a standard written disclosure to be provided to customers by persons who sell or install distributed generation resources (Sec. 5).[1]

MREA offers one friendly amendment to Section 3, which describes what must be included in a standard disclosure form to be provided to residential NEB customers. We recommend amending the language "name and location of the project" to "names and locations of projects that may serve the customer". Project sponsors may elect to move customers to different projects within the same ownership when, for example, customers' energy needs increase or decrease. Though the language in LD 1964 certainly does not prevent this, we desire to avoid inadvertent misrepresentation to customers, should the project sponsor elect to shift a customer from one project to another while maintaining all contract terms.

Conversely, MREA has significant concerns about the sponsor's amendment shared with interested parties on May 14, 2025. Subsection J proposes to prevent a project sponsor from subscribing a customer to a share of generation that is larger than the customer's anticipated annual usage. MREA agrees, which we anticipate is the intention of this amendment, that overallocation of credits may result in greater stranded costs borne by ratepayers and unanticipated customer costs. However, there are practical and not uncommon reasons for customers' annual energy use–upon which their subscription size is most often based–to fluctuate, including the addition or removal of an electric vehicle, a household member leaving the residence, and mild winters or hot summers, among many others. Subsection J is unnecessarily rigid and by extension, punitive.

Instead, MREA recommends that customers thoughtfully size their rooftop or other personal facility prior to construction or work with their project sponsor to adjust their subscription size to best match their usage. The latter may be achieved through more data-sharing than is currently typical in Maine between utilities and community solar facility managers, so that the managers can have a better, real-time sense for their customers' usage and usage patterns. The same might also be achieved by extending the credit expiration window (currently at 12 months), so that customers have time to reflect on their annual usage and adjustments accordingly, or sizing subscriptions to approximately 125% of past annual usage.

Overallocation issues may also be resolved if monthly crediting reports from utilities to project sponsors included the number of kWh credits actually applied to each subscriber's balance in a given month and the amount of credits still in the subscriber's credit "bank." The current reports lack this specificity and only reliably provide the total kWh credits generated in the active billing period and allocated to each subscriber's utility account. This would address the issue the amendment appears to seek to resolve because, with that information, community solar managers could bill subscribers for only the credits that are actually applied to their utility

[1] MREA does not oppose the other sections in the originally printed bill–each are either not applicable to our members' interest or are unallocated language that serves to implement other sections that we support.

bill, potentially eliminating the scenario where a subscriber prepays for banked credits that may some day expire. MREA would be happy to work with the sponsor and Committee on an amendment that achieves the sponsor's assumed intent, without the unintended consequences that would result from the current amendment.

Finally, MREA opposes subsection K of the sponsor's amendment. Renewable energy credit (REC) revenue can be a considerable portion of the revenue earned by project sponsors. Functionally eliminating the ability to sell RECs outside of Maine would significantly interfere with project economics and would deter many in the industry from operating in Maine. Furthermore, we take considerable issue with the suggestion that the term "solar" is synonymous with solar generation's environmental attributes (i.e., RECs). Solar customers are motivated by the wide variety of benefits that come with a rooftop array or community solar subscription–from utility bill savings, to increasing their property value, to claiming the non-power attributes of renewable energy generation as their own. The sponsor's amendment presupposes a customer's motivation and with it, would likely significantly limit the ability of current and future members of the industry to operate in the state.

Thank you for your consideration of our testimony.

Sincerely,

Eliza Donoghue, Esq.
Executive Director