MREA

Maine Renewable Energy Association

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

October 30, 2025

Re: Public Hearing, LD 1223, An Act to Lower Electric Rates for Maine Ratepayers by Requiring the Payment of Certain Costs from the General Fund

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

Thank you for the opportunity to share testimony in opposition to the original printing of and sponsor's amendment to LD 1223, originally titled *An Act to Lower Electric Rates for Maine Ratepayers by Requiring the Payment of Certain Costs from the General Fund*, 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, and biomass energy generators and developers of such projects, as well as companies that provide services to those producers, such as environmental engineers, electricians, and general contractors.

LD 1223, as amended[1],contains several elements. It would prohibit recovering costs associated with energy procurements (including energy, renewable energy credits, energy storage systems, or transmission infrastructure)from ratepayers, instead reimbursing transmission and distribution utilities ("utilities") from the General Fund.[2] The bill would also require municipal approval to exempt "solar energy equipment that generates heat or electricity" for which (1) all the energy is used on site, (2) at least 50% of the energy is used on site, or (3) NEB projects with fully executed interconnection agreements prior to June 1, 2024 from property taxation.[3] The bill contains other elements that MREA is not offering testimony on at this time.

MREA opposes the proposal to fund energy procurements through the General Fund. Though grounded in a principle that MREA supports (utilizing taxpayer funds to support renewable energy programs), MREA opposes this portion of the bill because it would create an unacceptable risk to Maine's utilities and by extension, the procurements they are directed to

[1] *See* Sponsor's Amendment shared with EUT Interested Parties via email on October 29, 2025.
[2] *See Id.* at Section 1.
[3] *Id.* at Section 13.

implement. Under LD 1223, utility reimbursement would be at risk every two years as the Maine Legislature considers the State's biannual budget. It is unreasonable to expect utilities to accept that risk. Though, should the bill advance, utilities could account for that risk and pass those costs on to the General Fund and Maine taxpayers.[4]

MREA opposes the personal property taxation exemption portion of the bill because it undermines a central tenet of taxation policy – predictability. Solar projects, including residential rooftop projects, could no longer rely on the relative stability of State statute, instead relying on municipal decision-making. Furthermore, the bill appears to propose retroactive taxation. While some existing projects may be able to absorb unanticipated taxation, others that operate on slim margins due to high interconnection costs, etc. may be upended by a new, unanticipated cost. This would not only impact the solar project owner/operator, but could impact subscribers to the solar project that have relied on the project to reduce their electricity bill. Notably, community solar projects are only eligible for taxation exemption if they had an interconnection agreement in hand before June 1, 2024.[5] Municipalities with tax exempt projects are eligible for reimbursement for 50% of property taxation loss.[6]

Thank you for your consideration of our testimony.

Sincerely,

Eliza Donoghue

Eliza Donoghue, Esq.
Executive Director

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[4] Notably, LD 839 was enacted by the House and Senate during the First Special Session of the 132nd Legislature and is currently held by the Governor. This seeks to rely on the General Fund to reimburse utilities, however, it is exclusive to costs associated with the net energy billing (NEB) program.
[5] *See* 36 MRS §656(1)(L) (2023).
[6] *See* 36 MRS §661 (2021).