



HOUSE OF REPRESENTATIVES

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Committee on Energy, Utilities, and Technology

Senator Lawrence, Representative Sachs, fellow members of the Committee on Energy, Utilities, and Technology, I'm Steve Foster, Representative for House District 32, serving Charleston, Dexter, Exeter, Garland, Stetson, and a part of Bradford, here to present LD1223, "An Act to Lower Electric Rates for Maine Ratepayers by Requiring the Payment of Certain Costs from the General Fund" as amended.

When LD1711 was passed by the Legislature in 2019, the added costs to ratepayers was predicted to be in the tens of millions of dollars annually to support "jump starting" solar development in Maine. It was made clear by proponents at the time and has remained their position since, that these added costs were necessary to fight climate change and turn around global warming. Impassioned speeches were made and tears were shed on the House floor expressing the urgency of its passage. In spite of efforts then and in the years since to reduce the extra costs Net Energy Billing placed on ratepayers by shifting to lower cost grid scale solar, these positions remain.

Over these past six years, ratepayers have borne the burden of the extra costs of NEB and other renewable energy policies mandated by the Legislature. LD1711 alone had a fiscal note for PUC administration for the first two years of \$1,587,000, to be covered by "Other Special Revenues", from the ratepayers. I do not have the number for all the costs the Legislature has added over the years, from pilot projects to special studies to renewable project development, in an attempt to reduce climate change, but suspect it is substantial.

LD1223 does not seek to reduce the future scope of NEB, risking the social impact proponents argue it offers through climate change reduction. It simply shifts the extra financial support it requires from increased electric rates to Maine taxpayers. As has been voiced here in Committee over the last few years, the cost of NEB is unfairly assessed to some ratepayers while financially benefitting others. This is done with no regard to ability to pay. While any social benefits resulting from the reduction in carbon emissions are realized by every Maine resident and non-resident alike, the costs are not.

This bill would change the funding for this program from Maine ratepayers to all paying taxes in our state. I hope to hear testimony from some coming after me to support this idea. The Committee has heard similar opinions, at least in principal, from some before us in the recent past, including from representatives of the PUC.

In the 131st Legislature, the Committee supported bills which helped Maine's lower income earners by addressing two ratepayer funded programs. One bill extended the sunset for the Arrearage Management Program while another raised the allowable income level for eligibility for the Low Income Assistance Program. The resulting increase in funding for these programs comes from "other special revenues", Maine's ratepayers. At the time, I raised my concern with the Public Advocate that the need for these programs will continue to increase if we're not able to slow the steady rise in electric rates. He agreed. As is the case with other social benefits provided by programs like LIHEAP, SNAP, or Maine's General Assistance, it is my opinion AMP and LIAP have similar assistance goals and should be funded by taxpayers, not ratepayers.

Shifting the funding of these programs will not only bring some reduction to electric rates, but will address the inequity of the increase of rates for lower and middle income residents. Removing these costs from all ratepayer bills and shifting them to our generally progressive tax structure will help those barely able to afford their electric bills while also reducing the number needing the assistance of these programs.

In order to provide funding from the General Fund by a means that may be more easily managed, LD1223 would reimburse ratepayers for the portion of their bills paid to support these programs through an income tax credit, which would require filing a State income tax form.

This bill also includes removing some of the State mandated exemptions from property taxes for solar installations unless approved by the municipality where located. This will address concerns I've heard from municipalities and help with the increasing property tax burden on residents in rural Maine communities where projects are being located.

Finally, if we can agree on the bill's main premise that some of the costs of addressing social issues currently added to electric bills should be expensed to the general fund, I intend to work with interested parties to iron out the details and provide a final amended version at a future work session.

Thank you for your time and consideration. I hope you'll join me in supporting this bill and all the citizen ratepayers of Maine we represent.

Respectfully submitted,
Steve Foster
State Representative