



**Testimony of Versant Power in Opposition to LD 1966
An Act to Improve Access to Community Solar Programs in the State
October 30, 2025**

Senator Lawrence, Representative Sachs, and members of the Committee, my name is James Cote and I am here today on behalf of Versant Power to testify in respectful opposition to LD 1966.

Many of the provisions – or versions thereof – contained within this bill are also found in other pieces of legislation the Committee is actively considering or has previously considered during this legislature. Versant Power appreciates the thoughtful debate on these complex issues and has sought to provide substantive feedback and information to inform the Committee’s decision-making.

Below is a description of some of the concerns we have identified regarding specific provisions contained in LD 1966, much of which is reproduced from testimony that we have previously provided to you. Versant Power welcomes ongoing discussion of these issues but encourages the Committee to consider consolidating that debate around the existing legislative vehicles already addressing these topics in order to maximize clarity and transparency for stakeholders and members of the public.

Section 1- Administrative Charges

As discussed during the debate of LD 1949, “An Act Regarding Energy Fairness” earlier this year, Versant Power believes this section is largely duplicative of existing processes and regulatory requirements and is concerned it would raise administrative costs and burdens for utilities and their customers without providing commensurate benefit.

Most of what is included in the definition of an “administrative charge” in this section is already captured in Versant Power’s overhead charges and include labor, materials, and outside services.

Overhead charges are currently calculated at the time that estimates are generated and are based on the most current overhead rates. For some projects, this is calculated within our GIS estimating system. For other projects, primarily for distributed generation, Versant Power manually calculates the overhead.

As written, this section would clearly apply to the interconnection of distributed energy resources. We are concerned that it could also be read to apply to a far broader range of work including line extension and service upgrade projects.



Currently, the overwhelming majority of work that includes overhead charges is completed efficiently and without incident for the customer or utility. In the event that a dispute does arise around such charges, clear MPUC resolution processes are already available. In the case of a DER interconnection, the MPUC's Chapter 324 sets forth a clear process to adjudicate a fair outcome. Line extension projects have a similar Chapter 395 dispute process, and a separate process exists enabling the MPUC to investigate and establish rates for our services.

Additionally, these charges can also be litigated during normal rate case proceedings.

Should these proposed provisions be adopted, Versant believes additional resources and/or processes would likely be required, necessitating additional ratepayer investment. Further costs would also be required by the mandatory proceedings contemplated in subsection B, which we believe are largely duplicative of the processes currently in place as described above.

Section 6- Public Policy Charges

Versant Power understands the intent of this section to be to provide customers with additional information on their bills regarding the components of a Public Policy Charge. Versant agrees that transparency is valuable for customers, especially regarding the non-utility costs for which utilities are required to bill customers, e.g. energy supply, conservation, and public policy driven initiatives.

To that end, the following language currently appears prominently on Versant Power customer bills regarding the Stranded Costs and Public Policy line items, each of which is broken out separately:

Stranded Cost

These include all remaining costs from electric industry restructuring, including power purchase agreements, Maine Yankee, and other costs.

Public Policy Charge

This recovers costs of programs required by state policy, including the net energy billing program, low income assistance programs, and more recent long-term power purchase agreements.

The proposed language of LD 1966 (which is virtually identical to the language contained in Sec. C-5 of LD 1949) would require utilities to "include an accurate and comprehensive description of the costs and benefits of the components of public policy charges if such charges are included on a customer's bill, including, but not limited to, energy efficiency programs, renewable energy programs and low-income energy assistance programs."



First, as discussed during our testimony on LD 1949, Versant believes our bills currently include an accurate and comprehensive (subject to the limitations of the information that can reasonably be included on a customer bill) description of the Public Policy Charge.

Given a customer's bill seeks to collect amounts owed for services provided, it is appropriate for this description to inform customers about the costs of various services and programs for which their rate dollars are paying. Such costs are factually established in regular transparent MPUC proceedings, some of which also govern the method by which overall costs shall be allocated to various customers (e.g. by customer class). As a result, each line of the bill, including the Stranded Cost and the Public Policy Charge, reflects a specific (and frequently updated) ratemaking exercise.

We would also note that, while the bill specifically identifies "energy efficiency programs" as one of the applicable components, Versant Power currently collects these costs on a separate "Conservation" line item on our bills, the description for which reads:

Conservation

Efficiency Maine Trust was created by the Legislature to deliver energy efficiency programs and services. It is funded in part by Conservation, a fee on electricity usage.

On the other hand, while Versant agrees they are important, the *benefits* of various programs for which a utility is required to bill customers, are far more difficult to accurately and comprehensively display as no current analogous process exists to assign definitive values to each one.

Versant Power does not believe that it is currently within our capacity to provide each customer with an accurate and comprehensive description of the benefits of each component of the Public Policy Charge, as the utility does not have visibility into such information nor are processes currently in place to reliably provide the utility with the necessary information to do so.

Versant's billing system is also not currently configured to produce individual values for individual customers for each separate component of the charge, presumably on a regularly updated basis.

While it may be more feasible to further break out the individual cost components of the Public Policy Charge, (as these values are known), the system reconfiguration necessary to implement such a change would impose a significant cost on ratepayers and would likely require significant time to implement.

Section 7, 8 and 9 - "Net Crediting," Consolidated Billing and Data Access



Versant Power has continued to work diligently and collaboratively with NEB stakeholders, including developers, advocates, regulators, and policymakers, to enable our billing system to accommodate recent significant changes in NEB policy, including those adopted earlier this year.

Versant recognizes that NEB programs can create significant benefits for customers but believes those benefits should be balanced with the costs associated with the programs, including administrative costs for billing functions.

The concepts set forth in Sections 7 and 8 of LD 1966 are similar to those proposed, though not adopted, in LD 417 during the 131st Legislature and LD 1955 during the 130th Legislature. During the debate surrounding those bills, Versant, alongside several other stakeholders, noted the significant cost and complexity associated with requiring the adoption of so-called “net crediting” arrangements and utility consolidated billing for community solar products.

Regarding Sec. 7 concerning “net crediting,” Versant is concerned about the cost and complexity of implementing this section as its requirements would represent a significant departure from the way the company manages crediting while providing unclear benefit to customers.

Additionally, this language appears to require a utility to compensate a NEB developer on a certain timeframe, “regardless of the payment made by the customer,” raising concerns about how utilities would be expected to treat unpaid balances by NEB-participating customers and shield other ratepayers from inappropriately absorbing additional costs.

Versant uses a customer’s usage, less NEB credits, and then calculates the customer’s bill based on the remaining kWh, if applicable. Section 7 proposes to change this to calculate the bill first, show a reduction in the bill based on the NEB credits, then show a reduction on the bill, and then the net amount owed.

If the goal of this section is to increase the understandability of how NEB credits are being applied to a customer’s bill, Versant recommends the Committee consider alternative approaches – including customer education by developers – that minimize ratepayer costs and the redeployment of utility resources. Additionally, Versant has recently redesigned its bills for NEB customers to more clearly and comprehensively provide information about crediting.

Regarding Sec. 8 on consolidated billing, Versant is committed to ensuring developers have access to necessary data. At the same time, we believe it is appropriate for community solar developers to bear the cost and responsibility of billing their customers for the products they have sold. Indeed, we



understand that certain developers already offer a version of consolidated billing to their customers as a service and other developers are not otherwise precluded from doing so if they choose.

Moving to a consolidated billing model in which the utility is required to take on this function would require large-scale changes to Versant's billing system and bill design, something that would not only mean significant costs that are likely to exceed the potentially-authorized 1% fee, but may also require the redeployment of internal resources focused on other important improvements and policy objectives. Even with such efforts, the full implementation of this section is likely impossible in less than one year, as contemplated by LD 1966.

Regarding Sec. 9 concerning data access, recognizing the need for developers to have timely access to the data necessary to bill their customer, and with the encouragement of this Committee, Versant has worked closely with community solar developers over the past two years on technological solutions to provide access to such data. This includes providing developers with access to Versant's CEP portal, where data such as monthly electricity usage, rate and sub-rate classes is available, as well as an enhanced project sponsor facility report in which generated credits, applied credits, banked credits and expired credits is available.

Versant's understanding is that such measures have been successful in providing community solar developers with the data necessary to bill their customers, something which was discussed before this Committee earlier in the year. As such, we do not believe additional legislation is necessary.

Thank you for your consideration. We would be pleased to answer any questions and would be happy to follow up with any information requests in advance of the work session.