

## **Testimony of Chris Kallaher, Senior Vice President and General Counsel, Ampion, Inc., in Support of LD 1966, An Act to Improve Access to Community Solar Programs in the State**

**October 30, 2025**

Senator Lawrence, Representative Sachs, and honorable members of the Energy, Utilities, and Technology Committee. My name is Chris Kallaher and I am Senior Vice President and General Counsel of Ampion, Inc., a distributed renewables subscription and revenue management company with a deep commitment to Maine and the customers and clients we serve in Maine. I am writing to express Ampion's strong support for LD 1966, **An Act to Improve Access to Community Solar Programs in the State**. LD 1966 would direct the Maine Public Utilities Commission to electric utilities to offer consolidated billing, in the form of net crediting, to a distributed generation resource at its request, which would address several policy concerns that have been raised about the net energy billing program in Maine in the past several years. The proposed net crediting program would have many benefits while placing the costs of <sup>1</sup>the program on distributed generation owners and operators. We encourage you to vote in favor of this important bill.

### **1. Net Crediting Would Address Fundamental Flaws in NEB Market Design**

The current NEB program relies exclusively on "dual billing," which means that participants in the program receive their NEB credits on their utility bill while paying for those credits (at a discount) on a separate bill sent to them by the owner of the NEB project or the owner's agent. This results in participants receiving two bills related to their electricity service where they only received a single bill before enrolling in the NEB program. This results in several issues that have hampered the effectiveness of the NEB program. Each of these would be efficiently addressed by adopting net crediting in Maine.

- **The variability of solar production and the absence of adequate reporting from CMP results in customers seeing bills for NEB credits in the summer months that are higher than their utility bill would otherwise be.** One of the characteristics of the NEB program is that allocations to an individual customer are much higher in the summer months than they are in other months because those are the months of highest solar production. (This effect is especially pronounced in places like Maine, which are in the higher latitudes.) This results in more NEB credits being allocated to a subscriber's account than they can use in that month with the excess credits rolling forward for use in future months. This would not be a problem if both utilities accurately reported the amount of credits applied to the customer's usage and the amount, if any, rolled forward in their bank. CMP, however, does not currently offer that functionality, which means that customers pay for all of the credits allocated to their accounts in the month they are allocated. Even in Versant service territory, where they do provide this level of data, there is no universal requirement that all subscription managers bill their subscribers

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<sup>1</sup> Ampion's comments are limited to those parts of the bill that relate to net crediting. We take no position with respect to the other provisions of LD 1966.

based on the amount of credits applied to their balance in a given billing period, excluding credits that are banked. In order to offset 100 percent of a subscriber's usage over the course of a year, this means that in the highest production months, credits far in excess of a subscriber's usage are allocated to their account. This, in turn, means that the bill for their NEB credits, even with a 15 percent or more discount applied, might be higher than their entire utility bill would have been in the absence of a NEB subscription. Subscribers have a very hard time understanding why this happens. I personally have talked to a number of subscribers who get their first bill that reflects credits generated in June, July, or August and their usual reaction is confusion or outrage. They can't understand why they are "paying more than ever" when we said they would save money. Even for those who understand what causes the higher bills in the summer, the higher monthly payments in those months can be a burden due to the simple cash flow issues in how they manage their household expenses.

Net crediting solves this issue completely in several respects. First, because customers do not pay a second bill, it can never be higher than their utility bill would have been. Second, because only the "net credit" - the total value of the credits minus what the customer would have owed for those credits - appears on the bill, the customer experiences the NEB program only as a reduction in their utility bill every month rather than an extra bill to be paid. Moreover, because the net credit will not exceed what the customer otherwise would have owed on their utility bill, "banking" is no longer necessary. The net benefit of all credits can be applied in the month in which the credits were produced.

- **The need to collect payment information or credit data excludes many customers who could benefit from the NEB program.** Because NEB owners must send separate bills that must be paid directly by subscribers, they typically collect payment information or credit data so they know the customer will be willing and able to pay when they receive a bill for NEB credits. Many potential subscribers can't provide such data or don't have good credit, which limits their ability to participate in the program. These subscribers are often the kind of low- and moderate-income households that could benefit the most from the savings on their utility bills that the NEB program provides. Net crediting solves this issue very effectively as well. Because subscribers need not make separate payments directly to NEB providers, there is no need to collect payment information or screen for creditworthiness. Moreover, because the net credits applied to the subscriber's bill lower the amount they would otherwise have owed to the utility, NEB subscribers will have an easier time paying their utility bill in full which, other things being equal, should reduce utility uncollectibles.
- **In the current arrangement, participating in the NEB program could limit a household's ability to make full use of available utility assistance programs.** In Maine, residential customers are eligible only for the kilowatt-hour or volumetric NEB program. This means that the NEB credits are shown as a reduction in usage rather than a reduction in the monetary amount owed. This approach has the unintended

consequence of limiting a household's ability to make full use of LIAP or LIHEAP assistance that would otherwise be available. Those programs result in monetary credits being applied to utility bills. To make use of those programs, a participant must have sufficient usage that their utility bill is at least as large as the assistance payment would be. However, those participating in the volumetric NEB program will often see their net usage reduced to zero, which means that they have no utility charges for the assistance payments to offset. Furthermore, utilities do not provide subscription managers with information on the amount of the assistance individual customers receive, making it impossible adjust a subscription to ensure the subscriber can take full use of their assistance and a community solar subscription. This is a particularly vexing problem, as it means that customers who could most use a discount on their electricity bills might be able to get that discount only by putting other forms of assistance in jeopardy. Net crediting addresses this issue because the net credit applied to a customer's bill in a given month will always leave a sufficient amount of charges remaining on the bill for the assistance payments to offset.

- **Under the existing program, NEB participants might be allocated too many credits, which expire after 12 months if unused.** While the problem of unused credits has been addressed, for the most part, by the provisions of LD 1777, which was passed earlier this year, it is still not a good experience for customers or NEB project owners to allocate credits to an account that can't be used by the account holder. The absence of robust data sharing between the utilities and NEB projects is the main cause of this phenomenon, as NEB owners and their agents cannot readily track a customer's actual usage on a month-to-month basis, leaving them to rely on historical usage data that might no longer reflect a customer's actual consumption patterns. Net crediting also addresses this issue very effectively as it allows subscribers to receive the benefits of all credits allocated to their accounts in the month in which they are produced even if the sum of those credits over a 12 month period would have exceeded the customer's usage, a situation that, under the current system, would result in credits expiring. The implementation of LD 1777 will result in customers no longer being financially responsible for expired credits, but net crediting effectively eliminates the possibility of credits expiring, which is a better solution.

## **2. NEB Owners and Operators, Not Utility Ratepayers, Would Pay for the Costs of Net Crediting.**

One aspect of the NEB program that has made it controversial is the manner in which the costs of the program are recovered, with some arguing that the costs of the program are unfairly shifted from participants to non-participants. Without debating the substance of that issue, I can say with confidence that net crediting should be immune from this criticism. As in other states in which utility consolidated billing has been implemented, LD 1966 would create a funding mechanism for utility costs to implement the system that are borne by NEB owners, not utility ratepayers. The current version of the bill calls for a charge not to exceed one percent to be applied to the charges for NEB credits that are being handled through net crediting, which should be sufficient to cover development and operating costs. If the utilities believe the one

percent fee may be insufficient for them to recover their costs of implementing the program, Ampion would support a provision that allows for a higher fee upon an appropriate demonstration to the Maine Public Utilities Commission of the need for such a fee. We do note, however, that there may be one-time upfront costs for implementing net crediting that might justify an initial administrative fee that is higher than the fee would need to be during steady state operation of the program. Finally, as mentioned above, by reducing the amount that participants have to pay to the utility, net crediting will also benefit the utilities by making it easier for more customers to pay their bills in full.

### **3. Net Crediting Has Been Successfully Implemented in Other States.**

Ampion is an active participant in nearly every community solar program in the United States, including in all of the states in which net crediting has been implemented. New York and New Jersey have implemented net crediting and the program is already working in those states. The Maryland Public Service Commission, implementing legislation passed last year, also directed the Maryland utilities to adopt net crediting, which will be available as of January 1, 2026. From our experience, net crediting has been an unequivocal success in those states. Among other effects, net crediting has allowed New Jersey to implement a permanent community solar program with a substantial low- and moderate-income requirement (50% of the capacity of sites participating in that program must go to LMI subscribers), which has seen very robust developer interest. New York also has an LMI program (the “Inclusive Community Solar Adder”) that has placed hundreds of megawatts of new solar capacity on the grid with substantial percentages of LMI subscribers. These results simply would not have been possible without net crediting. In comparison, the Low-Income Community Solar portion of the Massachusetts SMART 2.0 program has shown lukewarm results and much of the capacity in that program remains unfilled. Net crediting works for everyone involved in the community solar value chain in the states that have adopted it and it will work for Maine in the same way.

We at Ampion appreciate the opportunity to provide comments on this important matter and urge you to vote “**yes**” on **LD 1966, An Act to Improve Access to Community Solar Programs in the State.**