



**CENTRAL MAINE
POWER**

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Government Relations

Testimony in Opposition

LD 1444 An Act Regarding Large-Scale Community Solar Procurement

Joint Standing Committee on Energy, Utilities, and Technology
April 27, 2017

Senator Woodsome, Representative Berry, members of the Committee on Energy, Utilities and Technology, my name is Joel Harrington. I am here today to testify on behalf of Central Maine Power Company ("CMP") in opposition to L.D. 1444.

CMP believes that grid-scale solar development has significant untapped potential in Maine and is the most efficient way to address and make a meaningful impact on the state's climate and renewable energy goals.

Study after study has shown that grid-scale solar investments are estimated to be half of the cost of what it is to install private rooftop solar systems. The large gap in per-MWH costs between grid-scale solar and private rooftop solar results principally from: a) lower total plant costs per installed kilowatt for larger facilities; and b) greater solar electric output from the same PV capacity due to optimized panel placement, tracking and other economies of scale and efficiencies associated with grid-scale installations.

CMP's concerns with this bill is that it would require transmission and distribution companies to enter into a 20 year long-term contract for the purchase of solar energy from grid-scale solar projects regardless of the price that those solar installations came in at thus **adding millions of dollars to electric bills by increasing stranded costs** for everyone including the very businesses in our state who are concerned about high energy costs. Under this bill customers could be subject to significant variations in price. When a utility sells the energy we are required to purchase at auction, the difference between what we pay for the energy and what we receive is passed on to our customers. Thus the bill would shift costs from those participating in the standard solar program to those who are not.

The bill should be amended to cap the price at the wholesale energy rate. This makes sense, as we have seen in some recent long-term contract proceedings at the MPUC, grid-scale solar has been bidding in between 3-6 cents per kwh.

What if the MPUC only received 2 bidders at 10 and 12 cents per kwh respectfully, this bill would essentially require the MPUC to accept these bids at rates nearly triple today's wholesale market price.

The legislation would impose a significant impact to CMP's new billing system as the project sponsor would be sending CMP credit amounts which in turn CMP would need to apply to certain customer bills. Managing credit expiration dates and the way a credit can be applied to their monthly electric invoice would require over \$1 million in changes to our new billing system, costs passed onto our customers.

Thank you.