



March 16, 2021

Senator Mark Lawrence, Chair
Representative Seth Berry, Chair
Committee on Energy, Utilities and Technology
100 State House Station
Augusta, ME 04333

Re: Testimony in opposition to:

LD 249, “An Act To Eliminate the Current Net Energy Billing Policy in Maine”;

LD 583, “An Act To Repeal the Chambers Made by Public Law 2019, Chapter 478, ‘An Act To Promote Solar Energy Projects and Distributed Generation Resources in Maine’; and

LD 634 “An Act To Cap the Value of Contracts for Renewable Resources and Distributed Generation Resources”

Senator Lawrence, Representative Berry, members of the Energy, Utilities and Technology Committee, my name is Jeremy Payne and I am the Executive Director 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. MREA members sustainably manufacture electricity from hydro, biomass, wind, tidal, and solar.

MREA testifies in opposition to LDs 249, 583 and 634. Each of these pieces of legislation would send a damaging signal to investors about whether Maine is a reasonable place within which to deploy their capital. LDs 249 and 583 are very straightforward in their harmful attempts to do away with the ability for residential, commercial and institutional consumers to proactively choose their sources of energy, save money, and avoid harmful pollutants. LD 634 is broader in its efforts to undermine both the small scale and grid-scale marketplace – the regrettable message to investors would be clear: your investment is not welcome here.

When LD 1711 became law less than two years ago, we saw the market quickly respond quickly, as we had hoped, to secure land, begin environmental survey work, negotiate with offtakers, work through the uncertainties of the interconnection process, and pursue approvals within the municipal and state regulatory review process. According to the [Daymark report](#), Net Energy Billing (NEB) has already created \$60 million in economic activity, and supported hundreds of jobs – and the great news is if our investment climate is predictable, we are poised to see almost \$800 million and support for thousands of jobs. However, if any one of these three bills before you today were to pass, all of that investment and job creation will disappear.

www.renewablemaine.org

Solar development companies aim to provide hundreds of millions of dollars of private investment that will help to modernize and add resiliency to our grid. Disappointingly, some serious mistakes in the interconnection process within Central Maine Power's territory have introduced a lot of ambiguity and opacity to when and whether those dollars will still flow. We believe that the Public Utilities Commission's (PUC or the Commission) investigation and related dockets will answer the questions as to what went wrong and how to ensure these blunders are not repeated.

What is very clear is the significant interest LD 1711 has engendered from the business community, municipalities, colleges/universities, and community solar subscribers. For example, in recent months we have heard from major Maine employers about the importance of this law – e.g. [Bath Iron Works](#), [MaineHealth](#) – as well as from school districts, cities and towns, and the community college system (see attached).

It is our sincere hope that the November 10th NEB report from the Commission is not utilized by this committee as a policy guide – unfortunately, it is a very narrow review of lost utility revenues, as opposed to an analysis focused on costs and benefits to consumers. The report also neglects to acknowledge a well-understood reality that about half of the megawatts currently in the interconnection queue will never be built. This attrition occurs for a wide variety of reasons – e.g. interconnection upgrade costs; construction schedule ambiguity; offtaker negotiations; and other markets becoming more attractive.

Fundamentally, as the Daymark report makes clear, the NEB program provides a net benefit to consumers. Notably, the Commission report omits many of the benefits consumers realize from the deployment of Distributed Generation (DG) solar. Some of those benefits are to the bulk power system, and include hundreds of millions of dollars of private investment that help to harden our grid – other benefits include job creation, tax revenues, and reduced emissions. Further, Commission Chair Phil Bartlett himself [publicly acknowledged](#) that their report was not intended to be a “quantifiable analysis.”

LD 634 is not just an attack on DG, but would also implicate grid-scale projects. Imagine if a \$100 million investment in a wind or solar farm were to occur in Aroostook County, this bill would mandate that project receive a return of 0.01%. This is not the type of signal we ought to send to investors – this bill unfairly targets one industry and would statutorily mandate acceptable profits. LD 634 is highly unusual and anti-business, and introduces significant uncertainty as to whether the state is committed to jumpstarting its clean energy economy to meet our important climate goals.

Time and time again, we hear from all types of investors that uncertainty is the enemy of investment.

To the extent the committee believes the laws underpinning NEB require tweaks, then we are willing to participate in those discussions. But we would encourage the committee to consider surgical adjustments that call for a scalpel rather than the use a sledgehammer, as LDs 249, 583, and 634 do.

We respectfully urge the committee to vote ought not to pass on these three pieces of legislation.¹

¹ All of the views expressed in this document do not necessarily represent the positions of each of our members. Since MREA represents a broad spectrum of companies, we anticipate some members may submit comments of their own.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Payne', with a stylized flourish at the end.

Jeremy N. Payne
Executive Director

February 17, 2021

Via Email

The Honorable Janet Mills,
Governor

The Honorable Ryan Fecteau,
Speaker of the House

The Honorable Troy Jackson,
President of the Senate

The Honorable Eloise Vitelli
The Honorable Jeffrey Timberlake
The Honorable Michelle Dunphy
The Honorable Kathleen Dillingham
The Honorable Mark Lawrence

The Honorable Matthea Daughtry
The Honorable Matthew Pouliot
The Honorable Rachel Talbot Ross
The Honorable Joel Stetkis
The Honorable Seth Berry

RE: CMP Interconnection Problems

To Maine's Elected Leaders:

As beneficiaries of Maine's solar law (L.D. 1711, "An Act To Promote Solar Energy Projects and Distributed Generation Resources in Maine"), we are writing to you because we are deeply concerned by CMP's recent announcement that dozens of solar projects throughout its service area are allegedly causing technical problems at nearly half of CMP's substations and that the fixes to these problems could require costly upgrades to the electricity grid.

We have put considerable time and funding since the enactment of L.D. 1711 toward incorporating lower-cost, clean, renewable energy into our energy mix by engaging with solar project developers who are now being told by CMP that additional delays and costs may be added to these projects. Some of these solar projects are already constructed, some are far along in the planning stages, and all of them involve already-executed net energy billing credit agreements or power purchase agreements to which we—the purchasers of this new source of renewable energy—are parties and on which we are relying to reduce and stabilize our electricity costs and transition to renewable energy.

As the purchasers of electricity and the associated net energy billing credits from these solar projects, we now also face the uncertainty of additional delays and additional, unplanned costs.

We understand that the process of installing and interconnecting solar projects in a burgeoning market is complicated and can run into technical challenges. We are perplexed, however, by CMP's late announcement and we are concerned that the magnitude of these problems is still unclear.

Investments in the renewable energy marketplace are only as successful as the consistency of the laws and market expectations that underpin them. We urge you to continue to send the signal to

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clean energy developers that Maine is equipped to handle the rapid transition to electrification and decarbonization. And we urge the utilities to collaborate with solar developers, offtakers, and the administration to work toward getting these projects built and in operation as quickly as possible.

Maine's bold movement toward a sustainable energy future is not an easy one. Ensuring an equitable balance between consumer costs, environmental sustainability, and fair market treatment is complicated, and we salute the progress you have made to date on Maine's behalf.

We encourage your continued efforts to establish an environmentally and financially sound energy policy for the state, and to protect our investments in the clean and renewable community solar projects that are being developed and operated here in Maine as a direct result of your hard work.

Sincerely,

/s/ Phillip L. Crowell, Jr.
Phillip L. Crowell, Jr., City Manager
City of Auburn

/s/ James A. Andrews
James Andrews, Trustee
Farmington Village Corporation

/s/ Craig King
Craig King, Superintendent
Maine School Administrative
District No. 15

/s/ Xavier Botana
Xavier Botana, Superintendent
Portland Public Schools

/s/ Howard Tuttle
Howard Tuttle, Superintendent
Regional School Unit No. 12

/s/ Regan Nickels
Regan Nickels, Superintendent
Regional School Unit No. 22

/s/ Sanford Prince
Sanford Prince, Superintendent
Scarborough Schools

/s/ Amy Kuhn
Amy Kuhn, Chair of Town Council
Town of Falmouth

/s/ Jon Jennings
Jon Jennings, City Manager
City of Portland

/s/ David J. Daigler
David J. Daigler, President
Maine Community College System

/s/ Maria Libby
Maria Libby, Superintendent
Maine School Administrative
District No. 28 and Five Town CSD

/s/ Becky J. Foley
Becky J. Foley, Superintendent
Regional School Unit No. 5

/s/ Christopher Howell
Christopher Howell, Superintendent
Regional School Unit No. 14

/s/ Scott Albert
Scott Albert, Superintendent
Regional School Unit No. 73

/s/ Kathryn Clark
Kathryn Clark, Superintendent
School Union 69