



## Testimony in Opposition to L.D. 583

### An Act to Repeal the Changes Made by Public Law 2019, Chapter 478, “An Act to Promote Solar Energy Projects and Distributed Generation Resources in Maine”

Steven L. Weems, Executive Director

Solar Energy Association of Maine

To the Joint Standing Committee on Energy, Utilities, and Technology

March 16, 2021

Senator Lawrence, Representative Berry, and other members of the Joint Standing Committee on Energy, Utilities, and Technology: my name is Steve Weems, Executive Director of the Solar Energy Association of Maine. We appreciate the opportunity to submit testimony in opposition to LD 583, again in the strongest possible terms. This is one of a destructive trilogy of “poison pill” bills (along with LD 249 and LD 634) that would have a devastating effect on Maine’s climate change mitigation effort, and legislative intent to convert our electricity sector to clean, renewable energy as rapidly as practical. We urge the Committee to see these bills, including LD 583, for what they are and reject them out of hand. Our basic reasoning follows.

The Solar Energy Association of Maine (SEAM) is a Maine not-for-profit corporation that exists to advocate for the development of solar electricity of all project sizes and ownership models, for the benefit of all Maine people.

Like LD 249, the current bill being heard, LD 583, is purely destructive, as indicated by its title – to repeal the solar energy and distributed generation legislation enacted in 2019, with no improvement or replacement. This would be a huge backwards move with far-reaching negative reverberations.

SEAM consistently has acknowledged the 2019 legislation (LD 1711) should be regarded as critically important to get Maine out of the solar doldrums, then reviewed thoughtfully over time and modified to improve it. This said, there is no denying in its current form this groundbreaking 2019 legislation has worked to propel Maine's distributed generation efforts forward, helping us break out of the preceding barren years when Maine lagged behind all other states in the northeast region in solar energy development. Although improvements can be made in this previous legislation, Public Law 2019, Chapter 478 deserves continued, enthusiastic legislative support, while defining and implementing desirable improvements. LD 583 offers no such improvements, just destruction.

Like LD 249, LD 583 appears to be based on an exaggerated narrative that Public Law 2019, Chapter 478 is too costly for all ratepayers. As noted previously, this narrative completely ignores many benefits of distributed clean energy generation to all ratepayers, which studies indicate offset the costs, more or less. The last PUC evaluation of this is now five years old, and should be updated in the interest of shedding light on how to maximize the benefits of distributed generation and minimize the costs. This is covered in related SEAM testimony on LD 709, which we support.

In sum, like LD 249, LD 583 is extreme and should be killed because:

- It shows a total lack of appreciation for the urgency of climate disruption, the need for beneficial electrification, and the key role distributed generation can play in what needs to be done to create a sustainable future in Maine.
- It is a purely destructive bill, with no constructive elements.
- It would be a 180 degree reversal of State solar policy and tarnish Maine's reputation as a sensible place to do business.

This said, SEAM has acknowledged and still does that some kind of thoughtful legislation may be desirable to improve Public Law 2019, Chapter 478. We think LD 709 offers a path to this end and offer our comments and recommendations about this on that bill.

In sum, LD 583 is not a helpful addition to a consistent climate and energy policy framework and a process of continuous improvement. As such it deserves a decisive “Ought-Not-to-Pass vote.

SEAM offered more detailed supplemental testimony on the subject of net energy billing (NEB) and distributed generation in general in its testimony on LD 249. This additional commentary is repeated below, again not to deny improvements in the distributed general cannot be made but to provide further context, simply in the interest of not asking the reader to refer to earlier testimony in a separate document to get this further context.

Local, small and medium-scale solar projects benefit all Maine electricity customers, even those who do not participate in one. These projects are an essential part of our clean energy future.

Recognizing this, the legislature created incentives to galvanize smaller solar projects – up to 5 megawatts capacity – also known as “distributed generation.” These incentives are working. Nonetheless, several bills have been filed this legislative session that would kill smaller-scale solar. Big corporate interests have joined the attack. Naysayers claim small-scale projects are too expensive and their incentives, including net energy billing (NEB), hurt other ratepayers. Under NEB, solar customers pay the utility fixed distribution charges and for any additional electricity they need, but not for their solar output.

The criticism of NEB is misleading and misguided. It ignores the many benefits to all Mainers of renewable distributed generation. Such projects are an essential component of beneficial electrification for the future, featuring clean energy generation at all scales and a dynamic, flexible grid with two-way energy flows. We must consider all contributions to this vision on a “whole-system” basis to appreciate their full value.

Electric utilities dislike smaller solar projects because incentives like NEB reduce their revenues. Consequently Central Maine Power (CMP) has concocted an inflated scenario of such projects’ likely build-out costs. When CMP wouldn’t tell solar developers where and at what cost they could connect to the grid,

developers responded by sending in a blizzard of interconnection applications all over the place. Then CMP presented a grossly inflated estimate of ratepayer costs, based on the absurd assumption 100% of these hypothetical projects would be built; 50% or less appears realistic. Unfortunately, the Public Utilities Commission (PUC) also used this inflated scenario, stoking fears of ratepayer electricity charges that will never materialize. These scare tactics should be disregarded.

More fundamentally, the story about lost utility revenues resulting in an unfair burden on other ratepayers is unfounded, because it fails to account for many benefits of distributed generation that will flow to all ratepayers. These benefits will come with the decarbonization of our economy and lives, powered by electricity produced from dispersed renewable energy sources, including many smaller projects. The legitimate debate is the value we should assign to these benefits.

The work of Maine's Climate Council has confirmed distributed generation is an essential component of Maine's "beneficial electrification" strategy. The public benefits include:

- Reduced cost of stand-by generating facilities like gas-powered plants;
- Reduced procurement of high-cost peak-period energy;
- Avoided cost of additional transmission lines to connect centralized generating facilities to the grid (the fastest-growing element of electricity cost);
- Avoided distribution line costs when locally-produced electricity is used instantaneously on site;
- Lower greenhouse gas emissions and other pollutants;
- More opportunities to balance electricity supply and demand (via dispatch from distributed energy resources);
- Keeping the roughly \$5 billion/year we pay for fossil fuel-based electricity in Maine;
- Additional investment capital for clean energy from homeowners and businesses installing their own solar panels;
- Greater electric system security by generating energy at many locations; and
- Increased Maine jobs and related economic benefits;

The quantitative value of these benefits can be debated, but not their existence. These are real benefits, despite being ignored by CMP, the PUC and critics of distributed generation. Some will actually lower ratepayers' utility bills, some have economic value not reflected in the bill, and some directly improve our health and well-being. These benefits have been studied extensively, in Maine and elsewhere. The evidence indicates that together they exceed the cost of net energy billing and other incentives for distributed generation. Distributed generation is a good deal for all Mainers.

Climate disruption is a genuine emergency. We're all cooked unless we electrify our economy and our lives with renewable energy. Our electric system must be evaluated as a whole. Smaller, local projects have a key role in the integrated energy system of the future. They are essential to the common good of beneficial electrification. Critics fighting this vision with unwarranted criticism waste precious time. The PUC should consider the benefits of distributed generation, along with its costs, when making decisions. It is foolish to fiddle while the planet burns.