

**Testimony of Industrial Energy Consumer Group**  
**in Support of**  
**LD 1435, *An Act Regarding the Solicitation of Contracts for Distributed Resources That Use Renewable Energy***  
April 20, 2020

Senator Lawrence, Representative Berry, distinguished members of the Joint Standing Committee on Energy, Utilities and Technology; I am Steven Hudson of Preti Flaherty, testifying on behalf of Industrial Energy Consumer Group, in strong support of LD 1435, *An Act Regarding the Solicitation of Contracts for Distributed Resources That Use Renewable Energy*. As members of this committee know, IECG is an association of large energy consumers in Maine that advocates at the state, regional and federal level for rapid and efficient climate mitigation while assuring reliability and low costs for all consumers.

As IECG has pointed out numerous times this session, it has consistently opposed the poorly designed net energy billing program created by LD 1711 in 2019. We predicted huge and unnecessary costs, and the facts now bear out the truth that LD 1711 is an enormous and unfortunate climate mistake. Indeed, the EUT's NEB subcommittee heard information recently that if all 2,500 MW signed up thus far is built, the rate increase could reach 50%, costing ratepayers \$2 billion over 20 years. The DG procurement program that was enacted as part B of LD 1711 was the worst of the lot, with a fatally flawed program design that resulted in the first procurement being found noncompetitive by the PUC with all the bids being suspiciously grouped together in a band that was between 33 to 56% more expensive than the other NEB programs. To make matters worse, the flawed program design ties the hands of the PUC, only allowing them to defer awarding contracts at such exorbitant prices. IECG has been heartened to hear from members of this committee on both sides that the DG procurement program should be repealed. This bill is one vehicle to do so.

This committee has also heard today in testimony on LD 1350, that IECG does not oppose further state procurement of renewable resource capacity – it just objects to procuring such in an uncoordinated and overly expensive manner. Procurement should always be at the lowest possible cost to ratepayers while recognizing different technologies require different prices.

The committee has a subcommittee actively exploring whether a bipartisan resolution to the entire NEB and DG issue is possible. We urge the committee to hold this bill until a final determination by the full committee in this regard. We thank the sponsor for bringing this bill forward and we are committed to working with the Committee and all interested parties in finding a wise path forward.