

Fortunat Mueller  
North Yarmouth  
LD 1026

Members of the Energy and Utilities committee,

My name is Fortunat Mueller, I am President and co-founder of ReVision Energy and I submit this testimony neither for nor against LD 1026. My apologies in advance for the tardiness of this submission; I made the rookie mistake of driving to Augusta this morning to present my testimony in person only to find the hearing exclusively online. So I'm filing a testimony now from in my car in the parking lot of the Cross building.

Revision Energy is supportive of the goal of the GEO amendment, which we understand to be ensuring that Maine's NEB program provides maximum benefit to Maine ratepayers and provides a solid long term foundation for a future NEB 2.0 program as well as long term growth of distributed generation renewable energy, which is an integral part of the lowest cost, highest reliability path to 100% clean energy. And we are appreciative of the collaborative and thoughtful way the team worked towards this proposal.

We oppose the bill because we are categorically opposed to retroactive legislating. Last year the industry came to the table in good faith and reluctantly agreed to changes to the NEB program along with a process to develop a successor program for projects from 2024 onward. Those changes effectively ended the hopes of roughly half the solar projects underway in Maine. Now this legislation seeks to extract additional concessions from the remaining 50% of projects. To be clear these are projects with signed contracts with the utilities (either NEB or Interconnection contracts or both) and this legislation instructs the PUC to unilaterally modify the terms of those sign contracts, retroactively. Maine has some unfortunate history with this kind of retroactive action, and I believe it is badly damaging to the credibility of the Commission, as well as the State as a place to do business.

In terms of substance, our biggest quarrel with the legislation as proposed (aside from its retroactivity) is the rate calculation in paragraph A-1. That paragraph purports to set the starting rate for new contracts at the 2020 tariff, but that is not what it actually does. In real dollar terms, a project built in 2023 will receive a starting rate that is between 15 and 20% lower than the 2020 tariff rate, because the bill holds the starting rate constant in nominal terms rather than in real terms, and ignores the reality of inflation in our economy. Every committee member understands the effect of inflation on their own budget, and the construction business is not immune. In fact, the cost of construction has risen substantially faster than underlying inflation the last several years. One of the benefits of a conventional NEB program is that by tying compensation to utility rates there is a built in (albeit imperfect) adjuster for inflation. If we are going to break the link between the tariff and utility rates as this amendment proposes, that starting rate should be atleast held steady in real terms; that is, adjusted annually for underlying inflation. Otherwise the customer and project value proposition is severely eroded and many good projects, conceived and developed as far back as 2020, will fail.

If the committee makes this amendment to appropriately adjust the starting tariff rate to be really fixed (not nominally fixed) to 2020 rates, we would support the amended version despite lingering concerns about it's retroactive nature and the message that sends not only to customers and energy market participants but anyone looking to do business in the state of Maine.

Thanks the opportunity to submit this testimony. And sorry to have missed the chance to see you all in person.