

STATE JOINT STANDING COMMITTEE ON ENERGY, UTILITIES, AND TECHNOLOGY

Testimony of David Gibson

May 24th, 2023

Testimony in Support

LD 1986: An Act Relating to Net Energy Billing and Distributed Solar and Energy Storage Systems.

Testimony:

Senator Lawrence, Representative Zeigler, and honorable members of the Energy, Utilities, and Technology Committee. My name is David Gibson; I serve as the Director of Energy at College of the Atlantic (but am testifying on my own behalf), and I am a Certified Energy Manager. Through my work on building solutions with communities on Mount Desert Island and throughout Maine, I have cultivated a strong background in community-driven solutions that bring local economic benefits and emission reductions. I strongly support **LD 1986, An Act Relating to Net Energy Billing and Distributed Solar and Energy Storage Systems.**

This bill offers a strategic pathway to protect ratepayers and accelerate the strategic deployment of distributed energy resources in Maine. The Maine Climate Council and Maine legislature have established ambitious clean energy goals to supply 80% of Maine's electricity usage with renewable generation by 2030. LD 1986 would advance these goals by establishing a new distributed generation program for solar that is based on expert recommendations and allows Maine to leverage federal funds.

This stands in sharp contrast to the OPA's amendment in LD 1347, which will be reviewed by this Committee during a working session tomorrow. LD 1347 would effectively repeal critical aspects of net-energy billing in the name of distorted figures which blame net-energy billing instead of natural gas for skyrocketing electricity prices. This repeal would make solar ownership inaccessible for most low and moderate-income households, leaving Mainers unable to access the significant federal funding for solar allocated by the Inflation Reduction Act. In effect, it will prioritize wealthy individuals and entities that can afford to purchase distributed generation projects outright.

In contrast, this bill, LD 1986, accounts for the magnitude of cost-saving and grid resilience benefits that these projects offer. The final report of the Distributed

Generation Stakeholder Group, submitted to this Committee on January 6, shows that this recommended successor program has a significantly higher benefit than the cost for all utility customers. LD 1986 will resolve the current issues with Net Energy Billing and create a structure that fairly compensates distributed energy generation for the services it provides the grid while benefiting all utility customers with long-term reduction in rates. Specifically, LD 1986 takes net energy billing (NEB) out of stranded costs and requires the Public Utilities Commission (PUC) to account for NEB costs and benefits, including a specific set of avoided transmission and distribution costs that must be accounted for. The PUC would be required to calculate and allocate NEB costs and benefits annually based on actual costs and/or avoided costs over the previous year. As a result, the proposed program will provide significant net benefits to all utility customers and provide a long-term average reduction in rates, thereby eliminating any cost shifts among customers.

I urge you to pass LD 1986 rather than LD 1347. LD 1986 would benefit Maine ratepayers, allow Maine to leverage significant federal funds, protect the viability of solar ownership for low and moderate-income households, and allow Maine to continue working towards its renewable energy goals. If LD 1347 were to pass instead, members of our low and moderate-income communities would not be protected— their ability to access the benefits of solar ownership would only suffer. Maine needs LD 1986 to provide a strategic pathway for vulnerable communities to benefit from distributed energy resources.

Thank you for your time and dedication to the people of Maine.

Sincerely,

David Gibson, CEM