

Senator Lawrence, Representative Ziegler, members of the Committee, my name is Lars Gundersen. My company, Dirigo Solar, is a developer of both utility and community scale projects. Last year alone, we returned \$4 million to Maine ratepayers from the resale of the power from our 7 solar projects into the wholesale market.

My colleague Bob Cleaves is unavailable this afternoon but will be in attendance tomorrow for Representative Foster's Bill, 1347. Because the topic here is so related to overall reform efforts of net energy billing, and because he served on the DG Stakeholder Group, he asked me to share his thoughts on LD 1986.

We support LD 1986 without reservation. There is a gaping hole in the way that the State computes costs and benefits, and without this legislation, we cannot begin to engage in responsible and effective reforms.

It is abundantly clear from the work of the DG Stakeholders group that there are a range of costs and benefits that come from distributed generation. However, as we sit here today, we have no objective, transparent process to calculate ANY of those costs or benefits.

Consider what has happened in the past few months. CMP and Versant engaged in their annual ritual of computing stranded costs. They issued a three-year projection, and the Office of Public Advocate seized on that data to suggest that by 2025 ratepayers will be losing \$220 million a year from net energy billing. The only problem with that approach is that it's not true.

I will share one example, which shows how flawed the three-year projection is and why LD 1986 is so desperately needed. As this Committee is aware, because of LD 936, no net energy billing project between 2 and 5 megawatts can qualify for the program if it doesn't reach COD by the end of 2024. And yet, CMP states in its filings that, and I quote, *"our projections include credits for new facilities anticipated to achieve commercial operations during the three-year term of the stranded cost filing."* In other words, CMP included in their cost estimates projects that come online in 2025 and 2026 and yet by law, such projects cannot participate in NEB. Nobody could tell me why this happened or the number of projects in this category—not the OPA and not CMP. And because OPA is relying upon CMP and didn't independently review the data, the assertion by the OPA that net metering will cost \$220 million is simply not true.

To add insult to injury, the stranded cost exercise is a very narrow focus on rates without consideration of all the costs and all the benefits of solar. The working group universally embraced the principle that *"distributed generation resources have the potential to produce benefits to the electric system, as well as to the state, through avoided costs as well as resilience, environmental, public health, and economic benefits"* How can we compute all of these benefits when we have a system that is not only unreliable but also incomplete.

How can the current approach be relied upon when making important decisions about reform? Quite simply, it can't. The system is broken, and the current stranded cost procedures are inadequate to measure the costs of DG.

For all of these reasons, we believe the enactment of LD 1986 is a timely and much needed reform to existing law.

Thank you for your time and consideration.