

Sharon Klein
Bangor, Maine
LD 1986

Senator Lawrence, Representative Zeigler, and honorable members of the Energy, Utilities, and Technology Committee. My name is Sharon Klein, and I am an Associate Professor in the School of Economics at the University of Maine, as well as a resident of Bangor, Maine. I am writing in support of LD 1986 An Act Relating to Net Energy Billing and Distributed Solar and Energy Storage Systems.

As part of the integrated teaching, research, and service program I have created at the University of Maine, I have been studying community-driven renewable energy and energy efficiency initiatives in Maine, nationally, and globally since 2015. Since 2018-2022, I have also been engaged in community-engaged research, education, and/or public service initiatives related to the interactions between community-driven sustainable energy initiatives and energy equity and justice with members of all five Wabanaki communities (Penobscot Nation, Pleasant Point, Indian Township, the Houlton Band of Maliseets, and the Mi'kmaq Nation) as well as other small remote, rural, low-income communities in Maine.

In 2020, I published the article A financial benefit-cost analysis of different community solar approaches in the Northeastern US in the peer-reviewed journal Solar Energy, comparing the costs and benefits of different net-metered community solar project designs under Illinois's and Maine's pre- and post-2019 community solar legislation. The article finds substantial benefits to developer, host, and subscriber, with increased benefits to subscriber and host when they are the long-term owners, not the developer. The recent Inflation Reduction Act has substantially increased these ownership benefits by enabling community-serving non-profit entities (including but not limited to municipal and tribal governments) to access the 30% investment tax credit as a direct payment.

In my energy equity and justice research, I have found virtual and community net metering to be a powerful policy mechanism to support the development of community-driven projects that can be designed in a way to maximize benefits and enhance equity and justice for people who need it the most (low income, marginalized and other underserved people and communities). In fact, I am currently helping members of all 5 Wabanaki tribal communities access funding from the U.S. Department of Energy to explore a community-owned, cooperative solar project that would expand the benefits of solar ownership to low and moderate-income homeowners and renters. I also just received a \$1.125 million 4-yr award from the U.S. Environmental Protection Agency to research statewide local energy action networks as a support mechanism for bringing the benefits of the renewable energy transition to underserved communities. As part of that work, I will be collaborating with the tribes to secure a new Sustainable Energy Coordinator position that will be housed in Penobscot Nation and serve all 5 tribal communities, helping them develop the projects they want to access the benefits of the energy transition. I will also be working with multiple collaborators across the state to establish and maintain a new Maine local energy action network, similar to what is already in place in Vermont (VECAN) and New Hampshire (NH-LES). LD 1986 will help ensure these efforts maximize the benefit of federal dollars to Maine's underserved communities and sovereign tribal nations and ultimately reduce ratepayer costs.

I served on the Distributed Generation Stakeholder Working Group. While it is rarely possible for any group of stakeholders with diverse perspectives to reach complete agreement on anything, I think we did a good job of crafting recommendations that will help Maine realize the benefits of net metering without overburdening the system with unnecessary costs. LD 1986 is the natural progression of that work. It will provide a structure to fairly allocate net energy billing costs and benefits, accounting for avoided transmission, distribution, and fossil fuel costs. Importantly, the legislation would also ensure that net energy billing benefits accrue to ratepayers.

I urge you to pass LD 1986 rather than LD 1347. While LD 1986 would support the continued growth of distributed energy in a way that is beneficial to low and moderate-income ratepayers, LD 1347 would revoke important components of net energy billing that make community-benefitting projects, such as those I am supporting through my research and education, viable. In effect, LD 1347 would pose a significant barrier to low and moderate-income solar ownership in Maine and in doing so, prevent Maine communities from accessing federal funding for solar. There is an unprecedented amount of federal funding being released every day. Along with other important programs currently in place (Efficiency Maine, the Community Resilience Partnership, the new Maine LEAN I am helping to create as part of my new EPA grant, etc), LD 1986 will ensure low income and other underserved Mainers are able to access their fair share of that federal funding to support renewable energy ownership benefits as we transition to a cleaner energy system. Net energy billing and solar are not the enemy. Removing net energy billing does not make sense – it will only hurt the most vulnerable. Smart net energy billing policy, like LD 1986, will ensure net energy billing does not increase costs to ratepayers but rather provides important benefits to them.

In closing, please pass LD 1986, legislation which will improve net energy billing, benefit Maine ratepayers, allow Maine to leverage significant federal funds, and protect the viability of community-benefitting solar projects, such as the ones I discuss above. Thank you for your service to the people of Maine.

Sincerely,

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