



Natural Resources Council of Maine

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Testimony in Support of LD 1986, An Act Relating to Net Energy Billing and Distributed Solar and Energy Storage Systems

By Rebecca Schultz,
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Senator Lawrence, Representative Zeigler, and members of the Joint Committee on Energy, Utilities and Technology, my name is Rebecca Schultz. I am a Senior Advocate for Climate and Clean Energy at the Natural Resources Council of Maine (NRCM). NRCM is Maine's leading environmental advocacy organization with more than 25,000 members and supporters, on behalf of whom I am testifying in support of LD 1986.

This bill puts in place a cost-effective successor program for distributed generation, directs the Governor's Energy Office (GEO) to pursue federal funding to focus the benefits of solar on low- and moderate-income Mainers, and directs the Public Utilities Commission (PUC) to properly account for both costs and benefits of these small- and medium-sized solar projects.

Putting in place a successor program is critical for transitioning the existing Net Energy Billing program while maintaining support for Maine's clean energy economy. Going backward on clean energy is not a solution to high electricity rates and will not buffer Maine families and businesses from the impacts of volatile natural gas prices.

LD 1986 takes important steps to implement the recommendations of the Distributed Generation working group, which were developed over the course of 16 months of thoughtful deliberation by diverse parties and informed by expert research and analysis, an effort that was convened under the auspices of the GEO at the direction of the Legislature, to build a better, smarter successor program for small- and medium-sized solar projects in Maine. **This was a thoughtful, thorough, and inclusive process.**

An independent analysis as part of that work found that a well-designed program can pay back \$1.67 to ratepayers for every dollar invested. If the program were designed to support projects that combine solar with energy storage—as this bill proposes—**the benefits increase to an impressive \$2.77 returned on every dollar invested.**

The stakeholder recommendations also highlighted the incredible value of leveraging federal funds available for solar through the Inflation Reduction Act of 2022. Application details for one program, EPA's \$7 billion Greenhouse Gas Reduction Fund, will be made available as early as this summer, so the time is now to seize this opportunity for Maine. The solar industry has estimated that a \$300 million grant from the federal government could support an estimated 20% bill discount for more than 100,000 low- to moderate- income customers in Maine, at no additional cost to Maine ratepayers.

By directing GEO to seek federal funds and design a program that can target the benefits of solar to low- and moderate-income Mainers, **LD 1986 would smartly position Maine to capture these once-in-a-**

century national investments to underwrite our clean energy transition. The exact eligibility details are not available yet, so **we should be careful to allow flexibility for the time being, as the framework in LD 1986 does.** That is one concern we have with regard to the Committee’s related bill (LR 2579); we don’t want elements of program design set in statute to have an unintended effect of tying our hands in securing federal funding.

The benefits of these small- and medium-sized solar projects are manifold—energy, capacity, avoided transmission and distribution, price depression effects, Renewable Energy Credit (REC) revenue, pollution reductions, the list goes on. That there are so many benefits, that they accrue to different entities, and that some benefits can be more readily monetized than others—this is partly what makes a program that supports these kinds of projects so complex and why it **tests the limits of our outdated regulatory approaches.**

On this issue, **LD 1986 would help us take an enormous step forward by requiring the PUC to do an honest accounting of costs and benefits,** outside of the “stranded costs” mechanism that considers the program only through a lens of lost utility revenue.

NRCM supports this bill, and we urge you to vote Ought to Pass.

Thank you for this opportunity.