



SOLAR ENERGY ASSOCIATION OF MAINE

Supplemental Testimony in Support of LD 1986 and LR 2579

An Act Relating to Net Energy Billing and Distributed Solar and Energy Storage Systems (LD 1986)

An Act to Implement Recommendations of the Distributed Generation Stakeholder Group (LR 2579)

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President, Dirigo Community Solar Group**

To the Joint Standing Committee on Energy, Utilities, and Technology

May 28, 2023

Senator Lawrence, Representative Zeigler, and other distinguished members of the Joint Standing Committee on Energy, Utilities, and Technology: my name is Steve Weems, Board Member of the Solar Energy Association of Maine (SEAM); also founder and President of Dirigo Community Solar Group (Dirigo CSG), a nonprofit association of 14 small, member-owned community solar farms. We have submitted testimony supporting LD 1986, and support LR 2579 as an adjunct to LD 1986, since both are intended to implement the recommendations of the DG Stakeholder Group.

Many people have submitted testimony on these positive bills and related bills to curtail or eliminate distributed generation (DG), including net energy billing (NEB) – e.g., LD 1347 and the Sponsor’s Amendment to this bill – the Office of Public Advocate (OPA) proposal. Our purpose with this submission is simply to list the ingredients (our vision) of a beneficial outcome. We are trying to be specific without getting into the weeds. We apologize if this seems self-evident.

1. Set aside the destructive and backward-looking content of the OPA-drafted amendment to LD 1347.
2. Implement the recommendations of the DG Stakeholder Group for all distributed generation (DG) projects in the 1-5 MW range. This includes 70% of the volume via a competitive procurement and 30% via open enrollment for a defined group of community entities (see LR 2579). The 30% would be priced at the median bid price of projects awarded contracts by the PUC under the competitive procurement. This is the total program the economic consultants to the DG Stakeholder Group determined would have a positive benefit/cost ratio of 1.67-2.77 and depress costs for all ratepayers. It also accounts for 93% of the total DG pipeline (November, 2022).
3. Modify the definition of “Community” in LR 2579 by adding federally-designated charitable nonprofits with a public purpose, and allow third-party investors who can utilize federal tax credits to be the owners of record of such projects, for the benefit of the defined community entities.
4. Define the resulting NEB program as limited to projects of 1 MW or less, without an additional limit on the number of participants. Retain the existing customer NEB bill credit provisions for an interim period.
5. Assign the Governor’s Energy Office (GEO), in consultation with the PUC, the task of developing a recommended successor NEB program credit structure, with the following structural elements:
 - a) Ensure all NEB projects (1 MW or less) would be classified as load reduction projects by utilities (increases benefits to all ratepayers);
 - b) Standardize the energy portion of the bill credit across all participants to be a kWh credit (should help get these projects classified as load reducers), facilitating simple pass-through of the energy produced to the participants (analogous to energy from the Standard Offer provider or competitive energy suppliers);
 - c) Conduct an evaluation of all utility and ratepayer benefits and costs as the basis on which to restructure the NEB delivery credit to create a positive overall benefit/cost ratio for all Maine people and minimize any

residual nonparticipant ratepayer impact. Require an initial report about this to the 2024 legislature and annual reports thereafter, with a goal of continuous improvement in the NEB program to maximize the system benefits of small-scale distributed generation and make NEB beneficial to all ratepayers.

6. Require the GEO, working in collaboration with the PUC, to conduct a rigorous benefit/cost analysis and separate ratepayer impact analysis of the projects that actually become operational under the existing NEB program (with the 5 MW cap), within the deadlines already established, with a report to the legislature in 2025 about any mitigating measures that could be justified to reduce nonparticipant ratepayer impact.

Supporting charts and other backup materials have been submitted previously. We just wanted to write these key ingredients down in one place. Thank you for considering them if you think these points would result in a beneficial distributed generation future.

Steven Weems

Solar Energy Association of Maine and Dirigo Community Solar Group
LD 1986

Supplemental Testimony in support of LD 1986 and LR 2579 from the Solar Energy
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