



## Testimony in Opposition to LD 1465,

An Act to Amend the Calculation of Tariff Rates and Billing Credits Under Net Energy Billing

By Rebecca Schultz,  
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January 9, 2024

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 30,000 members and supporters, on behalf of whom I am testifying today in opposition to LD 1465.

LD 1465 seeks a simple answer to a complicated problem, and while the idea of finding a simple solution is understandably attractive, LD 1465 is not that. What this bill proposes is poorly conceived:

- Firstly, LD 1465 would retroactively upend the financial underpinnings for 161 built and operational power generators, developed in good faith, and currently providing clean, low-cost energy to Maine homes, businesses, non-profits, universities, municipalities, and school districts.<sup>1</sup> This issue is similar to the one debated extensively in the 2023 legislative session.
- Secondly, by reflecting only supply costs, the proposed tariff rate ignores the very real transmission and distribution (T&D) savings that are created by injecting local energy into Maine's power system—thereby creating an undue and abrupt *disadvantage* for the very ratepayers that the program sought to help.
- Thirdly, LD 1465 fails to account for the latest round of important provisions passed by the legislature some six months ago to control costs and wind down the Net Energy Billing (NEB) program. The Public Utilities Commission (PUC) has begun to implement LD 1986 (P.L. 2023 Ch. 411) and we need to let that take effect before layering on additional revisions to the program.<sup>2</sup>

**Small- and medium-sized solar projects connected to the distribution system provide many benefits for Maine ratepayers.** These projects substitute dirty and volatile energy from the regional grid, they reduce transmission and distribution costs, they put downward pressure on regional capacity requirements, and they help strengthen our local grid through private investments in our energy infrastructure, to name a few of the benefits.

Community solar projects likewise are an important part of Maine's clean energy transition. One of the chief purposes of the 2019 expansion to the NEB program was to create a way for people who cannot put PV panels on their roofs—because they can't afford them or don't own their roof, whatever the reason—to participate in the benefits of clean and cost-effective solar energy.

By subscribing or investing in a share of a community project, individual Maine households, businesses, non-profits, and local governments were given a way to participate in the state's transition to clean

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<sup>1</sup> <https://www.maine.gov/mpuc/sites/maine.gov/mpuc/files/inline-files/EUT%201.3%20%28Final%29.pdf>

<sup>2</sup> <https://www.mainelegislature.org/legis/bills/getPDF.asp?paper=SP0815&item=3&snum=131>

energy. For the 161 projects already built and operational through the tariff rate program, which would be uprooted by LD 1465, **the benefits materialize as meaningful savings on the electric bills of participating subscribers.** See Appendix A for a sample selection of participants.

Yet LD 1465 proposes an alternative tariff structure for these existing operational projects, one that limits compensation to energy output only and ignores the delivery benefits. As a result, LD 1465 would effectively create an abrupt and undue disadvantage for participants in comparison to ratepayers who are able to make the long-term investment in on-site solar. **This is exactly the opposite effect of the program's intention.** LD 1465 would also arbitrarily cut these savings for participants in the tariff rate program, but not the community projects under the kilowatt-hour (kWh) program.

**What would happen to these very real transmission and distribution (T&D) savings under the proposed tariff and who would benefit are questions I urge this Commission to ask as it considers this bill.**

LD 1465 also leaves unanswered questions about how the proposed changes to Maine's NEB program would interact with previous revisions, including the most recent changes, passed six months ago with LD 1986, which have only just begun to take effect. LD 1986:

- Required a full technical economic accounting of the costs and benefits of these distributed solar generation projects, due in March, to help us better understand, evaluate, and allocate the impacts of solar projects on the distribution system;
- Authorized the Commission to run a competitive solicitation to shift projects into long-term contract structures; and
- Directed the Commission to open collaborative proceedings to investigate financial mechanisms to incentivize projects to shift out of the NEB program to stable long term power purchase agreements.

As this Committee heard last week from the Commissioners, the PUC has made progress in implementing these provisions. It has engaged an experienced technical economic consultant and two weeks ago it issued a request for proposals (RFP).<sup>3</sup> We should allow the cost-savings provisions of LD 1986 time to play out and bear fruit before adding further and conflicting changes to the program.<sup>4</sup>

**NRCM opposes this bill, and we urge you to vote Ought Not to Pass.**

Thank you for this opportunity.

**Appendix A:** Below is a list of some of the Maine towns, schools, companies, and other institutions that participate in the Net Energy Billing program and would be impacted by LD 1465 potentially, based on various public announcements and records as of July 2023.

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<sup>3</sup> <https://www.maine.gov/mpuc/regulated-utilities/electricity/rfp-awarded-contracts/3209-d>

<sup>4</sup> An additional requirement for potential cost savings in the NEB program was passed last session through this Committee in LD 327. This was a provision to evaluate whether a change to the PUC's implementation rules for the tariff rate program, treating it as a load reducer like the kWh program instead of as wholesale generation, could maximize value for ratepayers. We urge the Committee to keep an eye on the implementation of this provision as well.

[https://www.mainelegislature.org/legis/bills/display\\_ps.asp?PID=1456&snum=131&paper=&paperId=1&ld=327](https://www.mainelegislature.org/legis/bills/display_ps.asp?PID=1456&snum=131&paper=&paperId=1&ld=327)

<p><b>Higher Education</b></p> <ul style="list-style-type: none"> <li>○ Bowdoin College</li> <li>○ Colby College</li> <li>○ College of the Atlantic</li> <li>○ Maine Community College System</li> <li>○ Maine Maritime Academy</li> <li>○ University of Maine</li> <li>○ Thomas College</li> </ul> <p><b>Schools: 60 School Districts Including--</b></p> <ul style="list-style-type: none"> <li>○ Auburn School Department</li> <li>○ Camden Public Schools</li> <li>○ Falmouth Public Schools</li> <li>○ Mount Desert Island High School</li> <li>○ Mt. Ararat High School</li> <li>○ MSAD 11 – Gardiner/Pittston/Randolph</li> <li>○ MSAD 15 – Gray/New Gloucester</li> <li>○ RSU 14 – Windham/Raymond</li> <li>○ RSU 73 – Livermore Falls</li> <li>○ Scarborough School Department</li> <li>○ St. Dominic Academy</li> <li>○ Waterville Public Schools</li> <li>○ Windham Public Schools</li> </ul> <p><b>Municipal</b></p> <ul style="list-style-type: none"> <li>○ City of Auburn</li> <li>○ City of Belfast</li> <li>○ City of Lewiston</li> <li>○ City of Portland</li> <li>○ City of Presque Isle</li> <li>○ City of Rockland</li> <li>○ City of South Portland</li> <li>○ County of York</li> <li>○ Town of Camden</li> <li>○ Town of Cumberland</li> <li>○ Town of Freeport</li> <li>○ Town of Fryeburg</li> <li>○ Town of Hope</li> <li>○ Town of Kennebunkport</li> <li>○ Town of Kittery</li> <li>○ Town of Limestone</li> <li>○ Town of Millinocket</li> <li>○ Town of Mount Desert</li> <li>○ Town of Norway</li> <li>○ Town of Ogunquit</li> <li>○ Town of Old Orchard Beach</li> <li>○ Town of Rumford</li> <li>○ Town of Shapleigh</li> <li>○ Town of Tremont</li> <li>○ Bucksport Wastewater Treatment Facility</li> <li>○ Kennebec Sanitary District</li> <li>○ Limestone Water District</li> <li>○ Portland Water District</li> </ul>	<p><b>Commercial</b></p> <ul style="list-style-type: none"> <li>○ Allagash Brewing</li> <li>○ AVX Tantalum Corporation</li> <li>○ Bangor Beer Company</li> <li>○ Bangor Savings Bank</li> <li>○ Bath Iron Works</li> <li>○ Grandyoats</li> <li>○ Gorham Savings Bank</li> <li>○ Hannaford</li> <li>○ L.L. Bean</li> <li>○ Luke's Lobster</li> <li>○ Maine Beer Company</li> <li>○ Nestle Waters North America</li> <li>○ Oakhurst Dairy</li> <li>○ Pleasant River Lumber Co.</li> <li>○ Pratt &amp; Whitney</li> <li>○ Pride Manufacturing Co LLC</li> <li>○ Thurston's Lobster Pound</li> <li>○ Walmart, Inc</li> </ul> <p><b>Nonprofit</b></p> <ul style="list-style-type: none"> <li>○ Auburn Housing Authority</li> <li>○ Augusta Housing Authority</li> <li>○ Bath Housing Authority</li> <li>○ Brunswick Housing Authority</li> <li>○ Caribou Assisted Living</li> <li>○ Chewonki Foundation</li> <li>○ Fort Fairfield Housing Authority</li> <li>○ Good Shepherd Food Bank</li> <li>○ MaineHealth</li> <li>○ MaineGeneral Medical Center</li> <li>○ Northern Light Healthcare System</li> <li>○ Old Town Housing Authority</li> <li>○ Portland Housing Authority</li> <li>○ Preble Street</li> <li>○ Saco Food Pantry</li> <li>○ South Portland Housing Authority</li> <li>○ Westbrook Housing Authority</li> <li>○ York County Shelter</li> </ul>
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