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January 23, 2024

**Testimony in Opposition: L.D. 2099, An Act to Make Changes to Certain Laws Governing Renewable Energy Projects**

Chairs Lawrence and Zeigler and honorable members of the Joint Standing Committee on Energy, Utilities and Technology. I am Alf Anderson, Associate Director for Advocacy and Outreach for AARP Maine. AARP is a non-profit, non-partisan social mission organization with more than 200,000 members across the state. We work on a range of energy issues at the state level. The core principles we approach this work with include affordability, reliability, sustainability, and accountability.

AARP Maine's concern with this bill is the addition of new language in Section 1. This language seeks to reverse a condition of the program authorized just last year that explicitly eliminated the obligation for ratepayer funding for a program that was designed to rely on federal funding. The Governor's Energy Office was authorized to develop a distributed generation and energy storage program that would rely on federal funds. The statute as adopted explicitly stated that the program would not rely on ratepayer funding.

2 MRSA Sec. 9:

6-A. Distributed Solar and Energy Storage Program. The Distributed Solar and Energy Storage Program, referred to in this subsection as "the program," is established to provide funding to foster the continued growth of cost-effective distributed solar facilities and energy storage systems in this State. The office, as funding allows, shall develop the program no later than July 1, 2024.

A. As used in this subsection, the following terms have the following meanings.

(1) "Distributed solar facility" means a solar generating facility interconnected to a transmission and distribution utility as defined in Title 35 A, section 102, subsection 20 B.

(2) "Energy storage system" has the same meaning as in Title 35 A, section 3481, subsection 6. [PL 2023, c. 411, §1 (NEW).]

B. The program must be designed to obtain and provide available federal funds to support cost-effective distributed solar facilities and energy storage systems. The office shall consult with the Public Utilities Commission in developing and administering the program. [PL 2023, c. 411, §1 (NEW).]

C. In order to support the office's activities in administering the program, the office may request funds from the Public Utilities Commission for the office's administrative costs, which may include, but are not limited to, costs associated with hiring consultants and office personnel and contracting for technical analysis. Notwithstanding Title 35 A, section 117, if the office requests

funding in accordance with this paragraph, the commission may provide funding, to the extent available, from the Public Utilities Commission Reimbursement Fund under section 117. If the Public Utilities Commission Reimbursement Fund does not have sufficient funding, notwithstanding Title 35 A, section 116, subsection 4, the commission may provide funding from the Public Utilities Commission Regulatory Fund in accordance with this paragraph. [PL 2023, c. 411, §1 (NEW).]

D. The office shall apply for available federal funds to fund the program, including, but not limited to, funds from the United States Environmental Protection Agency's Greenhouse Gas Reduction Fund under 42 United States Code, Section 7434. Nothing in this paragraph limits other uses of federal funds received by the office consistent with applicable federal requirements. [PL 2023, c. 411, §1 (NEW).]

E. Except as provided in paragraph C, ratepayer funds may not be used to implement the program or to provide funding under the program to distributed solar facilities or energy storage systems. [PL 2023, c. 411, §1 (NEW).]

Now, less than a year later, we see a proposal to require ratepayer funding for this program based on the Commission's determination that the funds would "reasonably likely to achieve net benefits to electric ratepayers."

We oppose this new language for several reasons:

1. We do not understand why ratepayer funding is now necessary for a program that was authorized last year based on the GEO's request that relied on federal funding.
2. Ratepayers are currently paying over \$100 million annually in subsidies for a distributed generation program that pays unregulated solar developers an above market rate and there is no evidence that Maine should engage in further ratepayer funding for these programs.
3. The Commission has never made an evidence-based decision about the costs and benefits for the current distributed generation programs that are paid for in rates for essential electric service.
4. The issue of whether ratepayers or the competitive market should fund energy storage projects is presently before the Commission pursuant to a statute the EUT adopted last year in Docket No. 2023-00316. That proceeding should be allowed to continue without what appears to be a mandate for ratepayer funding for energy storage systems.
5. The vague language of "reasonably likely" and "net benefits" are not defined or reasonable to ensure that electric ratepayers would see benefits in their electric rates for distribution service in excess of the requested subsidies.

AARP Maine supports the use of federal funds to explore and implement clean energy projects and programs. We urge the Committee to reject this proposal to shift costs to residential ratepayers who are already burdened with extensive and expensive subsidies for distributed generation resources.

Thank you for the opportunity to provide our views on this important bill. If you have questions for me, I can be reached at [aanderson@aarp.org](mailto:aanderson@aarp.org) or at 207-330-1147.

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