



May 27, 2015

**Office of the Public Advocate Testimony on LD 1400 “An Act to Focus Energy Laws on Energy Cost”**

Chairman Dion, Chairman Woodsome and Members of the Energy, Utilities and Technology Committee,

The Office of the Public Advocate testifies neither for nor against LD 1400, An Act to Focus Energy Laws on Energy Cost.” At this point in the session, our office’s positions on nearly all of the policies that this bill proposes to change are well-established. The specific courses of action set forth in the bill are policy decisions for the Legislature.

**Long Term Contracts.** For years now, the Public Utilities Commission has struggled to extract clear legislative guidance from the sprawling, at times self-contradictory long term contracting statute, 35-A M.R.S. § 3210-C. This process is ongoing, including as recently as deliberations held last week, in which two Commissioners described dramatically different readings of the law. The Commission is currently conducting an inquiry into how best to exercise its authority under this law.

The bill includes many changes that appear to address shortcomings of the existing law.

These changes include:

- A clear statement of the policy to be achieved through long term contracting (lower costs and lower emissions);
- An overall limit on the amount of energy to be obtained through long term contracts; and
- A requirement that the Commission establish a schedule for solicitations and negotiations.

Each of these changes would be welcome, but determining the specific policy goals or amounts is a policy decision for the Legislature.<sup>1</sup>

**Net Metering.** Net metering does not provide a sustainable long term support mechanism for distributed generation, and at higher rates of adoption (which Maine has not yet reached) raises concerns about the equitable allocation of T&D costs and appropriate price signals to participating customers. Whether the response to these concerns is elimination of net metering, as proposed by this bill, or reform is a policy decision for the Legislature. As this committee is aware, we have proposed an alternative to net metering that would aggregate the output of distributed generation, which appears to share some similarity with the concept proposed in Section 8 of the bill.

**Renewable Portfolio Standard.** Maine's renewable portfolio standard, though it imposes minimal costs on ratepayers, does not appear to be achieving its intended goal of effectively incentivizing the construction of new renewables. Whether the response to these concerns is elimination of the RPS, as proposed by this bill, or reform is a policy decision for the Legislature.

Respectfully submitted,



Timothy R. Schneider  
Public Advocate

---

<sup>1</sup> The bill would also eliminate the provisions of § 3210-C that allow the Commission to enter into long term contracts for demand response and energy efficiency. These type of resources have always been an awkward fit under § 3210-C, but do allow Efficiency Maine Trust to obtain funding for unique projects for larger customers that were not included in the Triennial Plan. The projects can provide value to all ratepayers, and if the changes proposed by this bill are adopted, the Legislature should ensure that EMT retains a mechanism to support them.