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Testimony Neither For Nor Against LD 32, LD 257, LD 450, and LD 515

Senator Lawrence, Representative Sachs, and distinguished members of the Joint Standing Committee on Energy, Utilities and Technology,

My name is Heather Sanborn, here today as Public Advocate, to testify neither for nor against the LDs that are the subject of this combined hearing related to the repeal of net energy billing.

Maine's net energy billing (NEB) program dates back almost 30 years and initially encouraged growth in the rooftop solar industry.

In 2019, the Legislature greatly expanded the NEB program in several important ways:

- (1) It created a new tariff rate program that allowed large commercial customers to participate;
- (2) Expanded the size limit on projects to 5 MW;
- (3) Removed limits on the number of subscribers to a single NEB project; and
- (4) Removed co-location requirements, allowing a project to be sited anywhere in the utility's service territory of its subscribers.¹

As a result of these changes, there was a significant expansion in the amount of installed capacity participating in NEB: from less than 50 MW of operational capacity at the end of 2018 to more than 1,180 MW at the end of 2024.² Since 2019, as concerns grew about the overall ratepayer impact, the Legislature has gradually scaled back the 2019 amendments three times. In its current iteration, new NEB projects must be under 1 MW.

It is no secret that the OPA under my predecessor's leadership has been very concerned about the ratepayer impact of the 2019 NEB amendments, and I share his concerns. Our

¹ P.L. 2019 c. 478.

² CMP and Versant January 2025 NEB Reports filed in Docket No. 2020-00199.

most recent estimate of the annual ratepayer cost of operational NEB projects has now reached more than \$240 million, exceeding the OPA's 2023 estimate of \$220 million per year. This is a significant financial burden on CMP and Versant customers, both residential and commercial.

But the bills presented here today do not present a viable and responsible solution to the cost burden of NEB. The approach of simply deleting lines from the statute – lines that grant the PUC rulemaking authority which has been fully exercised to provide the foundation for a significant part of our energy generation economy in the state – would create chaos and confusion rather than plotting a sober path forward to save ratepayers money.

Additionally, these bills go further than addressing the cost issue created by the 2019 expansion of NEB. As written, the bills would abruptly end the NEB program entirely, for both small-scale roof-top installations that date back decades and the much larger generators admitted into the program under the 2019 amendments, with no legislative guidance about how to deal with the over 1,000 megawatts of installed distributed solar generation or the approximately 100,000 participating ratepayers that now exist in our state.

The cost of the 2019 amendments is a critical issue that can – and should – be addressed through legislation. Indeed, it may now be time, as other states have done, to modernize our approach to compensation for all distributed generation projects going forward. I look forward to rolling up our sleeves together to find real legislative solutions to this thorny issue. However, we do not support simply deleting the lines of statute that authorized the program without a legislative answer as to what comes next.

Thank you for your consideration of this testimony. I look forward to working with the Committee on these and the other NEB bills that come forward this session. I will be available for the work session and would be happy to take your questions.

Respectfully submitted,

Heather Sanborn
Public Advocate