

**STATE OF MAINE  
PUBLIC UTILITIES COMMISSION**

**MAINE PUBLIC UTILITIES COMMISSION**

**SUMMARY INVESTIGATION SEEKING  
COMMENT ON 2025 NET ENERGY BILLING  
COST BENEFIT REPORT**

**DOCKET NO. 2026-00053**

**COMMENTS**

**EFFICIENCY MAINE TRUST**

**MARCH 25, 2026**

Efficiency Maine Trust (hereinafter “the Trust”) offers these comments in response to the March 13, 2026 Notice of Investigation requesting comments on the 2025 Net Energy Billing Report, (hereinafter the “2025 SEA Report”).

As part of these comments, the Trust will address 1) how various perspectives are weighted, 2) how GHG benefits are accounted for, 3) how the diminishing value of solar peak shaving is represented, and 4) how benefits accrued in real time and in system planning are calculated remain. Finally, the Trust finds that it is unclear whether the utilization of the 2024 AESC outputs are appropriate for evaluating a renewable generation program.

**Part 1: Findings from the 2025 SEA Report**

The Trust generally agrees with the finding that Maine’s Net Energy Billing (NEB) Program was not cost-effective from a Maine-only societal impact perspective and even less so from a Maine ratepayer perspective in 2025. SEA estimates the NEB program benefits totaled \$132m for Maine society and \$120m for Maine ratepayers. The program cost \$302m, of which \$171m was accrued to the tariff rate program and \$142m was accrued to the kWh Credit program. Behind-the-meter (BTM) projects in the kWh Credit program variant remained cost-effective because of their greater in-state REC retirement and grid benefits provided.

**Part 2: The Trust appreciates the methodological improvements made to capacity factor assumptions and capacity cost calculations in response to its testimony.**

In Docket 2024-00149, the Trust filed testimony recommending the use of capacity factors unique to each program variant to calculate MWh-based benefits. The Trust specifically recommended the use of a capacity factor from ISO-NE System Planning<sup>1</sup> for Maine Behind-the-Meter (BTM) projects in the kWh Credit program. This iteration of the report updated the kWh Credit FTM and BTM capacity factors accordingly.

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<sup>1</sup> See “Normalized BTM PV” for Maine. See the Excel spreadsheet here: [https://www.iso-ne.com/static-assets/documents/2020/07/btm\\_pv\\_data.xlsx](https://www.iso-ne.com/static-assets/documents/2020/07/btm_pv_data.xlsx)

Additionally, the Trust’s testimony recommended incorporating the load resettlement process in calculating reductions in Maine’s share of capacity costs resulting from kWh credit projects. CMP segments its daily settlement process by customer class. In the load resettlement process, unaccounted for energy (UFE) which includes all generation exported to the distribution system is assigned to a supplier’s hourly load proportionally every hour, as opposed to the specific hour in which the PV production occurred. This iteration of the report calculates benefits using a load reduction shape after resettlement accordingly.

**Part 3: The SEA Report should track the Maine ratepayer and Maine-only societal impact perspective throughout the report.**

In Docket 2024-00149, the Trust filed testimony recommending the report track the Maine-only societal impact perspective throughout the report. The 2025 SEA Report primarily tracks the “general societal impact perspective.” In section 2.4, SEA describes its decision to utilize a general societal impact perspective, stating it is “justified in that the impetus for many of Maine’s policies promoting renewable energy (including NEB) is the reduction of GHG emissions. As the benefits GHG emission reductions are tied to global (vs. local Maine or even regional New England) GHG emission reductions, a general societal perspective, which incorporates a global perspective is justified.”<sup>2</sup>

As the Trust articulated in testimony filed in Docket 2024-00149 and rearticulates here,

While 35-A M.R.S. § 3209-C does not explicitly prescribe a perspective, the purpose of the law is to “ensure that benefits of distributed generation under net energy billing are reported and net energy billing costs are allocated in accordance with this section.” It would only be reasonable to assume that the Maine Legislature would ask the Commission to primarily focus on the benefits and costs of the Maine NEB program on Maine ratepayers.<sup>3</sup>

The Trust believes that, at minimum, the Maine ratepayer and Maine-only societal impact perspective should have the same emphasis and weight as the general societal impact perspective. If for some reason this is not possible, the Maine ratepayer and Maine-only societal impact perspective should include a data visualization alongside or included in Figure

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<sup>2</sup> Sustainable Energy Advantage, LLC, Analysis of 2025 Net Benefits of Net Energy Billing Program, March 31, 2026 (hereinafter cited as the “2025 SEA Report”) at Page 6.

<sup>3</sup> Efficiency Maine Trust, Direct Testimony, Maine Public Utilities Commission Investigation into the Allocation of Benefits of Distributed Generation under Net Energy Billing, Docket No. 2024-00149, April 7, 2025, at Page 4.

1.<sup>4</sup> It is unfortunate that despite discussion in Docket 2024-00149, which revealed the SEA interpretation of the law was not held by significant stakeholders in that proceeding, that the reader still has to wait until page 41 and Table 15 to see the Maine ratepayer and Maine-only societal impact perspective.

**Part 4: The SEA Report’s accounting of GHG emissions and RECs is flawed and should be addressed to eliminate potential double counting of GHG savings.**

The Trust appreciates that the current draft attempts to update the accounting of GHG benefits from projects that sell their RECs, but the current approach does not go far enough to address the concerns the Trust explained in its testimony. The Trust is concerned by potential double counting of GHG benefits sold for compliance purposes. Whether or not a REC is sold in Maine, elsewhere in New England, or to a private party, the sale of that REC represents the renewable attribute of the energy. As a result, the purchaser has the right to the full benefit of the GHG benefit. Counting the sold REC as a benefit here would likely represent double counting of that benefit. The NEB program should only take credit for RECs that are retained and retired for non-compliance purposes.

The SEA report states that “the ultimate party that claims the GHG benefit does not change the fact that the program caused the net increase in GHG benefits.”<sup>5</sup> This is an untested assertion that deserves more discussion. Does this mean that renewable portfolio programs of New England do not cause a net increase in GHG benefits? This would appear to be too strong a finding to make without further discussion. It would be more appropriate to state that the NEB program is a system of financial credits, that RECs are not taken title to under the NEB program, and therefore the program cannot take credit for RECs that are sold.

**Part 5: The SEA Report continues to overstate peak load reduction benefits of the NEB program in 2025 by ignoring peak shifting impacts of solar.**

In its testimony in Docket 2024-00149, the Trust offered several suggestions on how the 2023 SEA Report could more accurately reflect the fact that solar has successfully shifted the peak into the later afternoon, where it has an increasingly smaller contribution to peak load reduction. The current report acknowledges this point in the executive summary:

Importantly, these results are not reflective of possible future marginal costs and benefits of additional capacity coming online in the future. Given that certain

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<sup>4</sup> 2025 SEA Report, at Page 2.

<sup>5</sup> 2025 SEA Report, at Page 19.

benefits, namely benefits associated with avoided transmission and distribution costs, are subject to declining marginal benefits, additional projects reaching commercial operation under the program in the future are expected to have a reduced benefit/cost ratio relative to the program-wide totals reported here.<sup>6</sup>

This point should be emphasized in the presentation of this report to the Legislature where any change to the law would generally affect future projects. The Trust also believes that more could be done within the report methodology to more accurately reflect the effect NEB projects have on peak load reduction.

The Trust's testimony recommended the use of net load curves rather than gross load curves as provided by the AESC to calculate MW-based benefits to reflect actual or expected grid conditions. This change would reflect the diminishing value of solar benefits associated with peak shaving as peak load hours shift later into the day when solar generation is typically lower. The Trust recognizes that peak *shaving* during midday peaks by solar in the NEB program has resulted in peaks *shifting* to early evening hours. The Trust also recognizes the challenge of reflecting the diminishing value of solar peak shaving in a backwards-looking study. The Trust appreciates SEA's attempt to address this challenge by determining the differential between Maine's annual peak with and without the NEB program (e.g., net and gross load peak). The MW differential (e.g., peak load reduction) was used to calculate MW-based benefits such as Maine-specific avoided transmission investments and reductions in Maine's Regional Network Service cost share. This "net vs. gross differential methodology" is an improvement over the original methodology in the 2023 report in which coincident load reduction during the gross peak(s) was used to calculate all MW-based benefits. Nonetheless, the Trust would argue that the diminishing value of solar peak shaving in a backwards looking study could be observed with a year-over-year decline of MW-based benefits calculated using net load.

The "net vs. gross differential methodology" was not utilized to calculate Maine-specific avoided distribution investments. Instead, SEA used a Maine-specific gross hourly load forecast as provided by the AESC to identify the top 100 gross peaks and found coincident load reduction from relevant NEB projects. Applying the "net vs. gross differential methodology" would be an improvement to the continued use of coincident load reduction during gross peaks, but the Trust would go further and recommend the use of coincident load reduction during net peaks. Given that distribution investments are also driven by peak load rather than the top 100 hours, the Trust would again recommend evaluating load reductions during an annual peak rather than the top 100 hours.

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<sup>6</sup> SEA Report at Page 3.

The “net vs. gross peak differential methodology” was also not utilized to calculate system-wide avoided transmission benefits or reduced capacity costs. Instead, SEA used a system-wide gross peak as provided by the AESC and found coincident load reduction from relevant NEB projects. By using a system-wide gross peak, SEA ignores all peak shaving and shifting resulting from other New England states’ distributed solar programs and assigns the “first share” of peak shaving value to Maine’s NEB program. A “net vs. gross peak differential methodology” for system-wide benefits would compare a net system-wide load shape to a net system-wide load shape with NEB program generation added back in. Again, the Trust would go further and recommend the use of coincident load reductions during net peak load.

**Part 6: The SEA Report does not accurately capture benefits accrued in real time vs. in system planning.**

The Trust’s testimony recommended using real time net load and a solar production curve specific to the year being evaluated for benefits accrued in real time<sup>7</sup> and a historical net load forecast load and weather neutral solar production curve for benefits accrued in system planning<sup>8</sup>. SEA continued to use a forecasted weather neutral gross load shape as provided by the AESC but did implement the use of a 2025-specific and a weather neutral solar production curve for benefits accrued in real time and system planning, respectively. The Trust would argue that without implementing the corresponding real time and weather neutral load shapes, this introduces unnecessary complexity without improved accuracy. The coincidence of actual solar production with weather neutral forecasted peak load is not an improvement over coincidence of weather neutral solar production with weather neutral forecasted peak load.

**Part 7: There are concerns regarding the applicability of the AESC for this study.**

The Trust recognizes that 35-A M.R.S. § 3209-C(3) directs the commission to “use any available regional avoided energy supply cost study that the commission finds to be applicable to the determination and has been developed through a transparent process, with input from state agencies, public advocates and utilities or energy efficiency administrators from at least 3 other states in New England.”<sup>9</sup> The corresponding study would be the AESC.

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<sup>7</sup> These are Reduced Share of Capacity Costs (3.7), Avoided Maine RNS Share (3.8.2), and Capacity DRIPE (both intrastate and Rest of Pool) (3.9).

<sup>8</sup> These are Uncleared Capacity Value (both intrastate and Rest of Pool) (3.6), Avoided Transmission Investments (both intrastate and Rest of Pool) (3.8.1), and Avoided Distribution Investments (3.8.1).

<sup>9</sup> 35-A M.R.S. § 3209-C(3).

The AESC is a forward-looking study that forecasts energy supply costs that can be avoided with demand-side energy efficiency, demand reduction, and/or electrification programs in New England. SEA asserts that “most inputs are applicable to the evaluation of renewable energy programs.” However, the AESC does not comment on the applicability of its avoided costs for the evaluation of renewable energy programs. In the AESC, distributed solar is modeled as a supply-side resource rather than a demand-side resource and a gross load shape based on 2022 data is utilized<sup>10</sup>. Using AESC outputs to evaluate distributed solar as a demand-side resource when it is modeled as a supply-side resource in the AESC may lead to inaccuracies or double-counting. Other states such as Massachusetts<sup>11</sup> and Connecticut<sup>12</sup> have developed separate avoided costs to quantify benefits of solar and other distributed energy resources (DERs) by creating counterfactuals that *exclude* DERs. Note these evaluations were also forward-looking. All counterfactuals in the AESC *include* distributed generation. The Trust will work with the study group to potentially clarify the applicability of the AESC for use in value of solar studies with the 2027 iteration of the study. That clarification may be that it is inappropriate for value of solar studies. If the Commission shares these concerns, it might consider suggesting to the legislature that they revisit the requirements of this study to align with best practices.

## Conclusion

The SEA Report indicates that Maine’s Net Energy Billing (NEB) Program was not cost-effective from a Maine-only societal impact perspective and even less so from a Maine ratepayer perspective in 2025. The Trust appreciates SEA’s efforts to address recommendations made by the Trust and other parties in Docket 2024-00149. Nonetheless, concerns raised by the Trust regarding 1) how various perspectives are weighted, 2) how GHG benefits are accounted for, 3) how the diminishing value of solar peak shaving is represented, and 4) how benefits accrued in real time and in system planning are calculated remain. Finally, the Trust finds that it is unclear whether the utilization of the 2024 AESC outputs are appropriate for evaluating a renewable generation program.

Respectfully submitted,

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<sup>10</sup> See page 97 regarding modeling of distributed solar. See page 76 regarding the use of the 2002 gross load shape. <https://www.synapse-energy.com/sites/default/files/inline-images/AESC%202024.pdf>

<sup>11</sup> See SEIA, “The stakes are clear. Massachusetts needs solar and storage.” January 23, 2026 <https://seia.org/research-resources/powered-up-evaluating-the-year-round-benefits-of-solar-and-storage-in-massachusetts/>

<sup>12</sup> See Connecticut Department of Energy and Environmental Protection and Connecticut Public Utilities Regulatory Authority, “Distributed Energy Resources in Connecticut (Draft)” July 2020, <https://www.dpuc.state.ct.us/dockhistpost2000.nsf/8e6fc37a54110e3e852576190052b64d/acfa7be554497d1785258db70047ce29?OpenDocument>

/s/IGB

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March 25, 2026

Re: Comments on 2025 Net Energy Billing Report, Docket 2026-00053

Dear Ms. Dumeny:

On behalf of the Maine Renewable Energy Association (“MREA”) and Coalition for Community Solar Access (“CCSA”), thank you for the opportunity to file written comments on the *Analysis of 2025 Net Benefits of Net Energy Billing Program* report (“Report”) prepared for the Maine Public Utilities Commission (“Commission”) by Sustainable Energy Advantage (SEA) pursuant to 35-A M.R.S. § 3209-C(3). MREA and CCSA offer these comments for consideration by the Commission, as well as by the Maine Legislature’s Energy, Utilities and Technology Committee (“Committee”), to whom the Report and associated comments must be provided on or before March 31, 2026.

**MREA and CCSA are pleased to see that 2025 net energy billing (NEB) program benefits, including greenhouse gas benefits claimed regionally, were \$391.40 million and program expenses were \$312.89 million - a benefit-cost ratio of 1.25.<sup>1</sup>** Indeed, the totality of NEB program benefits including but not limited to avoided fossil fuel costs, avoided transmission and distribution costs, and demand reduction induced price effects are substantial and are an important component of an overall energy affordability strategy.

Notably, as part of *Maine Public Utilities Commission Investigation Into Allocation of Benefits of Distributed Generation Under Net Energy Billing*, Docket 2024-00149, parties (including MREA and CCSA) disputed the methodology of determining the NEB program’s benefits and costs. The investigation’s settlement did not result in the adoption of a comprehensive methodology. As such, the 2025 Report is not the product of an agreed-upon methodology. Many of the following of MREA’s and CCSA’s comments critique SEA’s self-selected methodology.

- **General societal greenhouse gas (GHG) emission avoidance must not be discounted.** LD 1986, “An Act Relating to Net Energy Billing and Distributed Solar and Energy Storage Systems,” requires the Commission to report on the relative costs and benefits from solar energy development, including “Societal benefits through avoided

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<sup>1</sup> See *Analysis of 2025 Net Benefits of Net Energy Billing Program*, Sustainable Energy Advantage, March 31, 2026 at 35.

greenhouse gas emissions”.<sup>2</sup> MREA and CCSA agree with SEA that “the impetus for many of Maine’s policies promoting renewable energy (including NEB) is the reduction of GHG emissions. As the benefits [*sic*] GHG emission reductions are tied to global (vs. local Maine or even regional New England) GHG emission reductions, a general societal perspective, which incorporates a global perspective is justified.”<sup>3</sup> Emission reduction benefits do not recognize state borders; to assume that a REC retired in a neighboring state has no benefits to the people of Maine is grossly inaccurate.

MREA and CCSA take issue with the notion that it is appropriate to dramatically reduce the greenhouse gas benefits of the NEB program out of unfounded fears that those benefits are being counted by another state renewable portfolio standard (RPS), and therefore do not exist under the NEB program. The existence of a state RPS is insufficient to drive distributed renewable energy development, as evidenced by the lack of 1 - 5 MW solar projects in states with an RPS but without any other community solar or distributed generation program. Given the complex nature of energy development, multiple policies are typically needed or instrumental to support the development, financing, and contracting of renewable energy projects. It is absurd to assume that the over 1 GW of renewable energy in the Maine NEB program can be attributed exclusively to the RPS’ of neighboring states.

Even if one were to assume the double counting concern is valid, the assumptions in SEA’s report are overly broad and inappropriately over-estimate the amount of RECs that may be retired for state RPS compliance. The approach in the Report confuses RECs retired within the state of Maine and RECs retired for RPS compliance; two entirely different concepts that do *not* represent the same set of attributes: “To appropriately bound the results, SEA assumes that any RECs not explicitly pinned to Maine (e.g., not associated with behind the better on-site consumption) are sold into the regional Class I marketplace, and thereby potentially retired out of state.”<sup>4</sup> First, RECs sold into the Class I market may still be retired within Maine. Second, RECs that are sold - whether inside or outside of Maine - may also be sold for voluntary purposes, including entities wishing to “do their part” to support renewable energy. In those cases, there is no other state policy that may be claiming these benefits. Though we do not have a quantification of how many RECs are sold on the voluntary market versus the RPS compliance market, based on our membership feedback, we estimate a significant amount are sold for voluntary purposes, perhaps even the majority.

Finally, though we hold that REC retirements are a poor stand in for emission reduction benefits, it is important to clarify that separating a REC from the renewable generation does not change the physical nature of that generation. For purposes of emissions accounting, that energy is now assumed to have the equivalent emissions profile of the

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<sup>2</sup> See 35-A M.R.S. 3473 (2023).

<sup>3</sup> See Analysis of 2025 Net Benefits of Net Energy Billing Program, Sustainable Energy Advantage, March 31, 2026 at 6.

<sup>4</sup> *Id.* at 19.

“grid mix.” Renewable energy under NEB displaces fossil fuels, and thereby inherently reduces the emissions profile of the “grid mix.” Counting only RECs from NEB associated with behind-the-meter generation in Maine completely discounts this attribute of the NEB program.

If an approach quantifying the “GHG and Environmental Benefits - Claimed In-State” is to be presented in the report, there must be sufficient data to actually support the quantification, which is not the case in the 2025 Report. As presented, this perspective is grossly misleading and should be removed from the Report.

- **Class 1 renewable energy certificates (REC) resulting from the NEB program suppress regional REC prices.** Most RECs generated from NEB-participating projects are eligible in all Class 1 markets and as such, the price suppression effect is realized in both Maine’s and the broader RPS markets.<sup>5</sup> This benefit must not be overlooked. The report does not sufficiently explain why SEA’s Renewable Energy Market Outlook analysis did not find any difference in REC prices with or without NEB-generated Class I RECs. It is also contradictory to assume that Maine cannot claim the vast majority of the greenhouse gas emission benefits from NEB because these benefits accrue to other state RPS’s, and yet the participation of NEB projects in New England Class I markets is so low as to not impact Class I REC prices.
- **The tariff rate program component of NEB includes non-solar projects, including hydro.**<sup>6</sup> Too often, the inclusion of this dispatchable, economically important, heritage renewable energy resource in the NEB program is overlooked. Concurrently, Section 2.1 should be revised to note that LD 1986 focused on the NEB program and not solar resources specifically.
- **The Report excludes the fact the majority of the NEB program is closed as a result of LD 1777, “An Act to Reduce Costs and Increase Customer Protections for the State’s Net Energy Billing Programs”.**<sup>7</sup> The Report states that “these results are not reflective of possible future marginal costs and benefits of additional capacity coming online in the future.”<sup>8</sup> LD 1777 closed the NEB program to front of the meter projects without an interconnection agreement in hand by December 31, 2025. Front of the meter tariff rate and kWh credit projects comprise the majority of NEB program costs and benefits. While future reports will include front of the meter projects that secured an interconnection agreement in 2025 and came online in subsequent years, as well as behind the meter kWh credit projects, MREA and CCSA are certain that the growth of the program will be gradual, particularly compared to program growth in 2025 and in previous years.

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<sup>5</sup> *Id.* at 17.

<sup>6</sup> *Id.* at 8.

<sup>7</sup> See Public Law 2025, Chapter 430.

<sup>8</sup> See Analysis of 2025 Net Benefits of Net Energy Billing Program, Sustainable Energy Advantage, March 31, 2026 at 3.

- **The share of grid upgrades that provide ratepayers benefits is understated.** MREA and CCSA were pleased to see that SEA incorporated the testimony of Christian Bilcheck, in part, to estimate the benefits of NEB-project-funded grid upgrades. However, we are puzzled and disappointed as to why SEA did not also utilize Belchick’s approach to estimate the share of upgrades that provide ratepayer benefits, rather than just amortization approach. SEA has taken the utilities at their word that these benefits do not provide any improvements to the system beyond what is minimally necessary to safely connect the project. Both the Bilcheck testimony and the testimony of Peter Evans on behalf of ReVision Energy in Docket 2024-00149 demonstrate how that is blatantly untrue.
- **The role that the NEB program plays as a “hedge” on gas prices must not be overlooked.** As another global conflict sends oil and gas prices through the roof, the importance of domestic, fuel-free energy sources increases. Quantified DRIPe and market benefits are estimated based on actual 2025 prices and do not include the “hedge” on gas prices that solar and other NEB-renewable energy sources provide. As this benefit accrues largely in the future, it cannot be quantified in the 2025 Report; however, its implications on energy policy are clear and should not be overlooked.
- **Despite our critiques of the analysis, the Report finds that on both sides of the NEB Program, benefits exceed the costs.** This is true even without the reforms included in LD 1777 to cut NEB compensation in order to lower program costs. Even if GHG benefits claimed regionally are excluded (which MREA and CCSA take issue with, as noted above), the Report finds that the kWh Credit Program benefits exceed the costs for behind the meter projects.<sup>9</sup> Stakeholders, including the Commission and the Committee, must take note of the unique benefits of behind the meter (often “rooftop”) projects, particularly because LD 1777 ended commercial behind the meter projects and as stakeholders begin to consider a successor DG program, as directed by LD 1777.

Thank you for the consideration of our comments.

Sincerely,



Eliza Donoghue  
Executive Director  
Maine Renewable Energy Association



Kate Daniel  
Northeast Regional Director  
Coalition for Community Solar Access

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<sup>9</sup> *Id.* at 36.

**STATE OF MAINE**  
**PUBLIC UTILITIES COMMISSION**

**MAINE PUBLIC UTILITIES  
COMMISSION**

**Commission Initiated Summary  
Investigation Seeking Comment  
on 2025 Net Energy Billing Cost  
Benefit Report**

**Docket No. 2026-00053**

**COMMENTS OF THE OFFICE OF  
THE PUBLIC ADVOCATE**

**March 25, 2025**

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**I. Introduction**

The Office of the Public Advocate (OPA) files these comments in accordance with the Notice of Summary Investigation and Opportunity for Comment issued on March 13, 2026 in this matter (the Notice). In general, the OPA is extremely disappointed that the Commission’s request for comment does not provide a meaningful opportunity for recommendations presented by interested parties to be incorporated into the 2025 Net Energy Billing Report (the Report). The OPA is further disappointed that the Report fails to correct well-documented flaws in the 2023 Net Energy Billing Report presented by interested parties in Docket No. 2024-00149. Notably, the Report repeats the critical problem with the 2023 Report by focusing the bulk of its discussion and analysis on the so-called Societal Perspective under which \$259 million of \$391 million total benefits calculated in the Report are provided to customers residing outside of Maine. The emphasis of the Report on a perspective that is dominated by benefits to out-of-state customers masks the disastrous impact of this program on Maine citizens and Maine electricity consumers, for whom this program constitutes a massive wealth transfer from Mainers to out-of-state customers.

## **II. Discussion**

### **a. Timing**

As the Commission is aware, a majority of the parties to the Stipulation in 2024-00149 requested the opportunity to comment on future Net Energy Billing benefits reports. The cover letter to the Stipulation, dated October 2, 2025 stated:

... that, as part of the Order in this docket, the Commission revise its process for issuing future reports. Specifically, they recommend that, in advance of issuing final versions of future reports analyzing the net benefits of the Net Energy Billing Program (required by Maine Revised Statutes, Title 35-A, § 3209-C 3), the Commission issue a draft of the report and convene a non-adjudicatory proceeding affording interested parties a reasonable opportunity to review the draft report and provide input thereon for the Commission's consideration.<sup>1</sup>

However, in its Order Approving Stipulation issued on October 15, 2025, the Commission declined to adopt this recommendation, but indicated it was taking the request under advisement.

The issuance of the Notice in this matter reflects an effort by the Commission to address this recommendation. Since comments are due on March 25, and the final Report is due to the Legislature by April 1, however, the timing of the Notice eliminates the possibility of incorporating any meaningful input from interested parties in this proceeding into the Report.

Further, a sister report prepared by SEA, Status and Cost & Benefit Analysis of Maine's 2025 Solar Market, was issued by the Commission on February 10, 2026. That report incorporates a number of the same flaws as this Report, notably its misleading focus on the so-called Societal Perspective. The Societal Perspective includes in its benefits calculation a disproportionate level of benefits that flow to out-of-state

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<sup>1</sup> Cover letter to the Stipulation in Docket No. 2024-00199 (October 2, 2025).

residents. Thus, this misleading presentation of costs and benefits has already been shared with the Legislature and the public without providing opportunity for additional context through the receipt of stakeholder input.

Given the deadline for presenting the Report to the Legislature, and the lack of time for the Report to be modified before doing so, the OPA respectfully requests that the Commission include all comments filed by interested parties in this Docket with the Report in its presentation to the Legislature, for instance as an appendix. Doing so would provide at least some balance in perspectives regarding the analyses presented in the Report.

**b. Focus on Regional Benefits**

Since the issuance of the 2023 Report, the OPA has consistently criticized SEA's approach for its improper focus on its so-called Societal Perspective, which overemphasizes benefits provided to out-of-state residents. The OPA first did so in a memorandum to the Commissioners in April, 2023, before the Commission had even opened a proceeding to receive input on the 2023 Report. Since that time the Legislature has amended the requirements for procurements to emphasize the primacy of benefits to Maine ratepayers in determining the cost effectiveness of any new contract or program for the procurement of renewable generation.

Indeed, during the 2025 session, the Legislature enacted four statutes that require the use of a Maine ratepayer perspective test in authorizing any new renewable energy procurement. In PL 2025, Chapter 430 (LD 1777), the Legislature enacted 35-A MRSA §3209-I(2) requiring any new front of the meter distributed energy resources to "provide benefits to ratepayers in the State in excess of the costs to ratepayers." Similar language was added in PL 2025, Chapter 476 (LD 1270), in which the Legislature

created a new energy procurement process in 35-A MRSA §10313 and amended 35-A MRSA §3210-C(6). Both provisions require the Commission to determine that the benefits to Maine ratepayers of the contract are likely to exceed the costs to Maine ratepayers as a result of the contract.” In PL 2025, Chapter 392 (LD 597), the Legislature amended 35-A MRSA §3210-J(2) to implement similar requirements in the award of renewable resource contracts in solicitations for projects that reuse contaminated lands. Finally, in PL 2025, Chapter 386 (LD 1868), the Legislature amended 35-A MRSA §3210-C(3) to authorize regional coordination in the procurement of renewable resources only “[i]f the commission determines that the likely benefits to ratepayers in the State will exceed the likely costs.”

Despite this clear direction from the Legislature, SEA has remained steadfast in its focus on the so-called Societal Perspective. As the OPA has consistently argued, this approach is extremely misleading. It is not just a difference of opinion about how to value the greenhouse gas (GHG) savings from the projects that sets the so-called Societal Perspective test apart from the other two perspectives. In addition to the GHG benefits, SEA counts **monetary benefits that flow to out-of-state consumers** as a benefit of the program. SEA calls these monetary benefits “rest of pool” benefits and fully counts them under the so-called Societal Perspective test. Perhaps one could argue that the Maine Legislature would want the Commission to weigh the global impact of the greenhouse gas savings of the program, but at the OPA we find it absurd to claim that the Maine Legislature would view a reduction in the electric bills of households in Connecticut and Massachusetts as a credible benefit of the NEB program. Without the so called “rest of pool” monetary benefits, Maine’s NEB programs, paid for by Maine consumers, are simply not cost-effective for Maine electricity customers, or for Maine

citizens, even when applying SEA's own analysis and assumptions. Indeed, SEA's Maine and ratepayer specific analyses demonstrate clearly that Maine's NEB programs are highly cost ineffective.

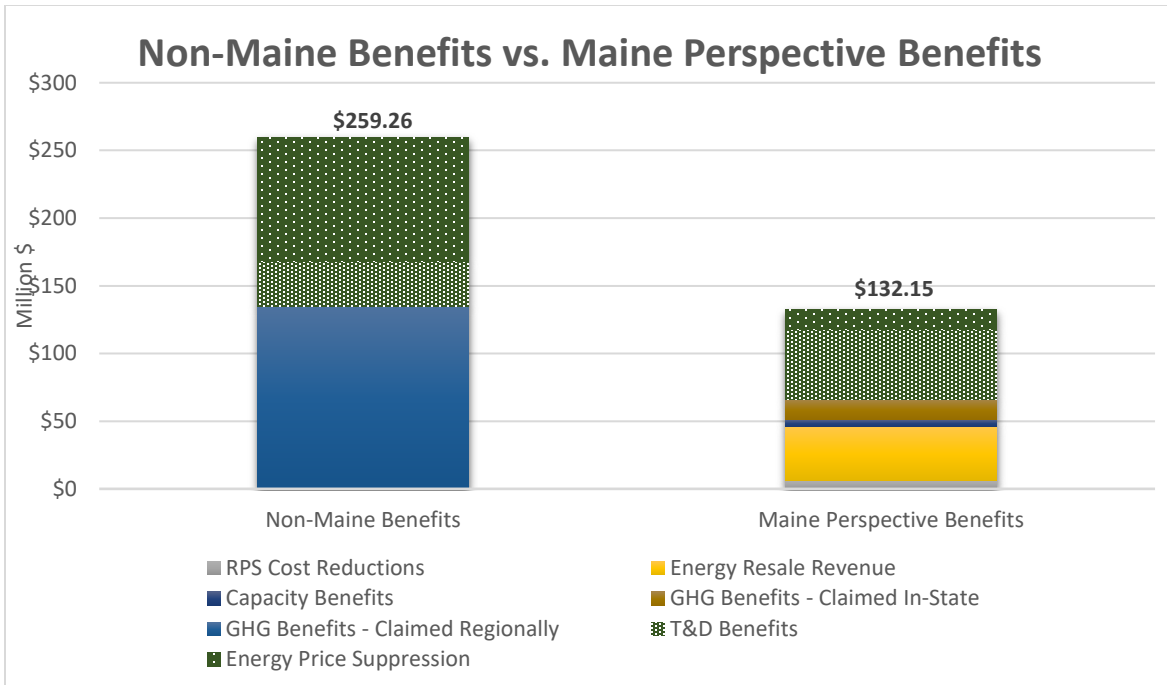
The Report does present analyses of the program from the Maine specific, and Ratepayer specific perspectives. However, it does not present these in an equivalent manner as the so-called Societal Perspective. Critically, the Report's Executive Summary addresses only the Societal Perspective, completely ignoring the more pertinent Maine and Ratepayer Perspectives. These latter perspectives are not addressed until the sections beginning on page 39 of the 43-page Report. As a result, the structure of the Report effectively "buries" these important analyses in a manner that leaves a casual reader aware only of the deeply flawed Societal Perspective.

Ignoring any other concerns the OPA has with SEA's analysis,<sup>2</sup> two of which are discussed below, the following charts prepared using SEA's own data demonstrate this concern with program cost effectiveness.

This first chart compares the value of benefits provided by the program to out-of-state residents to those provided to Maine citizens.

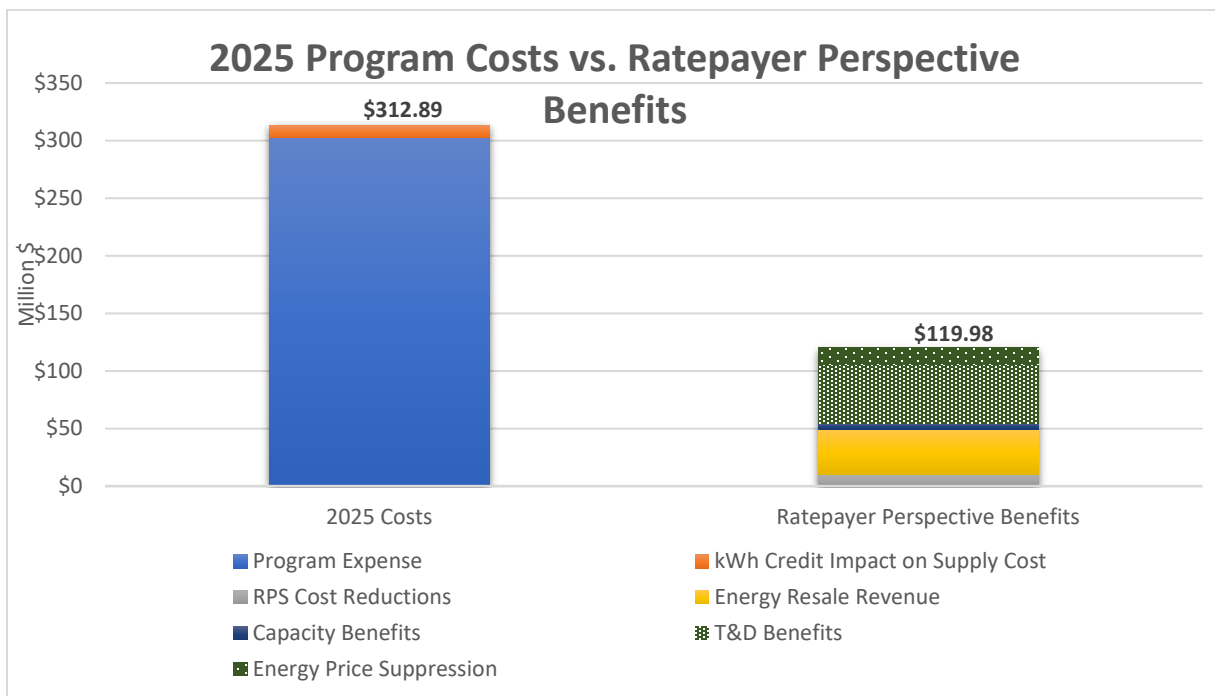
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<sup>2</sup> For a more complete discussion of the OPA's other concerns, please refer to the Direct Testimony of Marie Fagan dated April 4, 2025 and filed on behalf of the OPA in Docket No. 2024-00149, particularly Exhibit C thereto.



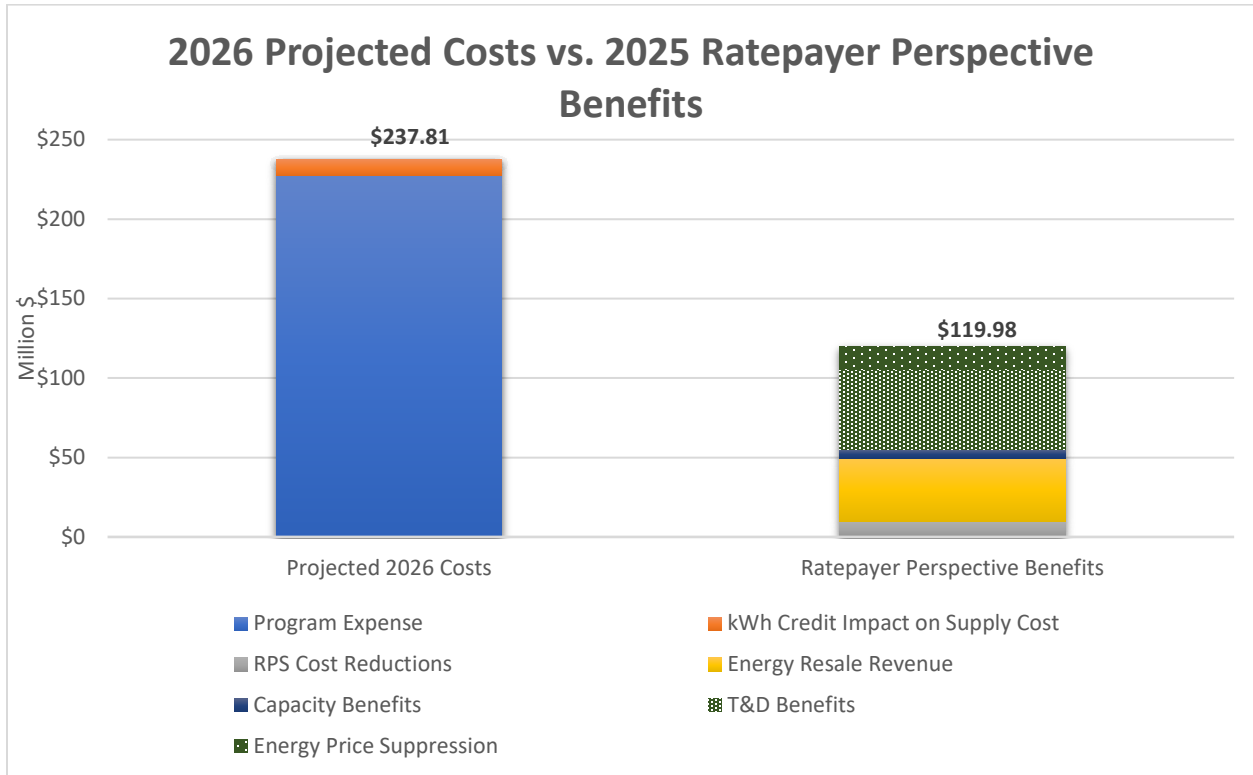
The benefits of the programs provided to out-of-state residents are essentially twice the benefits provided to Mainers.

This second chart presents the cost effectiveness of the programs under the Ratepayer Perspective analysis:



This chart demonstrates that the costs charged to Maine utility customers for Maine’s NEB programs exceeded benefits received from this program by a factor of 2.6 to 1.

Finally, this third chart is intended to demonstrate the improvement in cost effectiveness of the programs for Maine ratepayers by the revised funding scheme adopted by the Legislature in LD 1777:



While the programs remain extremely cost ineffective, the cost benefit ratio improves from the 2.6 to 1 experienced in 2025 to approximately 2 to 1.

**c. Transmission and Distribution Benefits**

In estimating transmission and distribution savings derived from Maine’s NEB programs, SEA relied heavily on the 2024 Avoided Energy Supply Costs in New England (AESC) study prepared by Synapse Energy Economics. This report presents New England system average savings for the purpose of analyzing the cost effectiveness of

energy efficiency and demand response programs. However, applying the concept of avoided costs to a generation option such as NEB raises issues that do not occur when avoided costs are applied energy efficiency analysis. With respect to SEA's estimates of the avoided cost of transmission there are a number of issues.

First, it cannot be known whether NEB projects avoid the need for transmission and distribution investment unless the location of the project is known. The National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy (August, 2020)(NSPM) states that “DERs can either increase or decrease utility system infrastructure costs, depending upon the loading characteristics and hosting capacity available on the distribution system.”<sup>3</sup> In addition, “[s]ome DERs will have different impacts depending upon the location of the DER on the distribution grid, and [a Benefit Cost Analysis (BCA)] should attempt to account for this locational value wherever it is likely to have a material effect on the BCA results. There may be some locations where community solar projects increase infrastructure costs and some locations where it decreases them.”<sup>4</sup>

Further, as the Commission is aware, Maine overall is a generation pocket, not a load pocket, which is evidenced by Maine's lower locational marginal prices of energy compared to other parts of New England. Adding new generation in Maine might therefore require adding more transmission, not less. SEA noted in response to data request CMP-001-014 in Docket No. 2024-00149 that it “did not consider the location of projects when determining whether resources could reduce planned transmission

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<sup>3</sup> NSPM at 151.

<sup>4</sup> *Id.*

investment.” Despite this, SEA assumed all NEB projects reduce the need to build out the transmission and distribution system.

Consideration of these factors would likely lead to a lower estimate of avoided transmission costs, because not all NEB projects reduce the need for transmission, and it is not known whether the avoided cost assumptions in the 2024 AESC would apply in Maine because it is load-constrained rather than generation-constrained.

#### **d. Benefits from Hydroelectric Facilities**

In conducting a benefit cost analysis, it is a fundamental requirement that there be a direct causal relationship between costs incurred in implementing an initiative and any benefits attributed to that initiative in order for those benefits to be claimed as resulting from that initiative. As the OPA has consistently argued since the issuance of the 2023 Report, no such causal nexus exists between the NEB programs and the benefits that the NEB report attributes to hydroelectric projects participating in the NEB programs.

A review of publicly available information confirms that all hydroelectric units participating in the NEB program preexisted the 2019 amendments to the NEB statutes. These projects represent significant investments that were undertaken with no expectation of the subsidy provided under the 2019 amendments to the NEB statutes. Indeed, many plants were re-licensed for new 20-year terms within a relatively recent period in advance of the 2019 NEB amendments. This indicates that owners were confident enough that the plants would create earnings to engage in the capital investment needed to extend the plant’s license well into the future, without the NEB subsidy.

For these reasons, the benefits of these hydropower plants should not be included in SEA's analysis, because the benefits, except for the energy resale and capacity buyout revenues, derived from the market sale of energy and capacity of the projects, exist with or without the NEB program. The costs of the plants, in contrast, do belong in SEA's analysis because the NEB program is the reason the costs are borne by ratepayers, rather than by the plant operators. Reviewing Appendix A.5 to the Report, ignoring energy and capacity resale revenues, it appears that approximately \$620,000 of benefits have been claimed from hydroelectric projects under the Ratepayer Perspective. This amount should be removed from benefits under the Ratepayer Perspective. Even larger benefits were calculated under the Societal and Maine Perspectives. These claimed benefits should be similarly removed from those analyses.

### **III. Conclusion**

The OPA appreciates the opportunity to file these comments. For the reasons described herein, we respectfully request that the Commission include these comments, together with comments received in this proceeding from other interested parties, as an appendix to the 2025 Net Energy Billing Report when submitted to the Legislature.

Respectfully submitted,

*/s/Heather Sanborn*

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