



STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

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November 10, 2020

Honorable Mark W. Lawrence, Senate Chair  
Honorable Seth A. Berry, House Chair  
Energy, Utilities and Technology Committee  
100 State House Station  
Augusta, Maine 04333

**Re: Reports on the Effectiveness of Net Energy Billing in Achieving State Policy Goals and Providing Benefits to Ratepayers, and Renewable Distributed Generation Solicitation**

Dear Senator Lawrence and Representative Berry:

Pursuant to Public Law 2019, Chapter 478, the “Act To Promote Solar Energy Projects and Distributed Generation Resources in Maine”, on February 28, 2020 the Maine Public Utilities Commission issued its Procurement Announcement for the first block of distributed renewable generation projects. As directed by the Act, this solicitation was to be the first in a series of five solicitations that would collectively obtain a total of 375 megawatts (MW) from renewable generation projects, each of less than 5 MW in size.

For reasons explained in the attached report, the Commission, in an Order issued on August 28, 2020, found that the first block procurement was not competitive pursuant to the standards set forth in the Act, Chapter 312 of the Commission’s rules, and the Commission’s Procurement Announcement. The Act requires that, if no bids are accepted under the first solicitation, the Commission will conduct a new competitive procurement within nine months as well as study the reasons for the inability of the procurement to secure the target amount and submit a report of its findings and any recommended legislation to the Legislature.

The Commission hereby submits its report including recommendations for the Legislature to consider for improving the competitiveness of future solicitations.

At the same time, the Commission hereby submits the report called for by section A-6 of the same Act, which contains an evaluation provision that specifies:

*The Public Utilities Commission shall evaluate net energy billing under the Maine Revised Statutes, Title 35-A, section 3209-A when the total amount of generation capacity involved in net energy billing in the State reaches 10% of the total maximum load of transmission and distribution utilities in the State or 3 years after the effective date of this Act, whichever comes first. The commission shall evaluate the effectiveness of net energy billing in achieving state policy goals and providing benefits to ratepayers and submit a report to the joint standing committee of the Legislature having jurisdiction over energy matters with its findings.*

Upon notice that the 10% threshold had been met, the Commission initiated its evaluation of the NEB program as required by statute. As required by the Act, the Commission considered State policy goals relevant to the NEB program and examined potential electricity rate impacts resulting from the NEB program.

In the Report on the Effectiveness of Net Energy Billing in Achieving State Policy Goals and Providing Benefits to Ratepayers, the Commission concludes that energy goals of increasing resource diversity through renewable resource generation, the promotion of solar generation and addressing climate change are promoted to a significant degree by the NEB program. However, the Commission also concludes that the current NEB program will result in substantial increases in electric rates. Based on these findings, the Commission identifies several recommendations for your consideration.

If you have any questions about either of these two reports, please do not hesitate to contact us.

Sincerely,



Philip L. Bartlett II, Chairman

On behalf of the Chairman  
R. Bruce Williamson, Commissioner  
Randall D. Davis, Commissioner  
Maine Public Utilities Commission

Attachment

cc: Energy, Utilities and Technology Committee Members  
Lucia Nixon, Legislative Analyst