



STATE OF MAINE
PUBLIC UTILITIES COMMISSION

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September 3, 2024

Senator Mark Lawrence, Chair
Representative S. Paige Zeigler, Chair
Members of the Joint Standing Committee on Energy, Utilities and Technology
100 State House Station
Augusta, ME 04333

RE: Report required pursuant to section 7 of Public Law 2023, chapter 307 on the “Ratepayer Value Analysis of Maine’s Net Energy Billing (NEB) Resources: Load Reducers vs. Generator Assets”

Dear Senator Lawrence, Representative Zeigler and Member of the Joint Standing Committee on Energy, Utilities and Technology:

During the First Special Session of the 131st Legislature, [Public Law 2023, chapter 307](#)¹ (Act) was enacted and went into effect on October 26, 2023. Section 7, subsection 3 of the Act required the Maine Public Utilities Commission (Commission) to contract with an expert, by April 26, 2024, to evaluate whether treating distributed generation resources that use the tariff rate program under 35-A M.R.S. § 3209-B as load-reducing resources would provide greater value to all ratepayers than the treatment of those resources as wholesale generation resources. The Commission, through a competitive procurement process, contracted with Sustainable Energy Advantage, LLC (SEA) to conduct this evaluation. The Act further requires by September 1, 2024, the Commission to provide to the Committee a copy of expert’s report and a description of any actions the Commission recommends based on the findings in the report. The Committee is authorized to report out a bill to the 132nd Legislature in 2025 related to the report.

Based on the attached evaluation by SEA, the Commission has the following recommendations.

First, NEB tariff rate program resources should continue to be treated as generator assets and NEB kWh credit program resources should continue to be treated as load reducers. In short, the Commission does not recommend changing the wholesale market disposition of NEB program resources at this time.

Second, the treatment of NEB tariff rate program resources should be studied again in the future. In particular, the report concluded that NEB tariff rate program resources may have higher theoretical value if instead treated as load reducers. However, this change may increase the risk that Maine ratepayers do not benefit from the higher theoretical value, since this value would accrue through supply rather than delivery rates. The impacts on supply rates are difficult to predict and the Commission has limited authority over supply rates. In future years, as the amount and characteristics of NEB tariff rate program resource generation begin to stabilize, the effects of changing the wholesale market disposition of these resources may become clearer, the risks to Maine ratepayers may be reduced, and the potential benefits

¹ LD 327

may become more predictable. For this reason, we recommend further study of NEB tariff rate program resources again in several years.

Please feel free to contact the Commission if you have any questions related to this report.

Sincerely,

A handwritten signature in black ink, appearing to be 'PB', written in a cursive style.

Philip L. Bartlett II, Chairman
Maine Public Utilities Commission