



# Costs and Benefits of Net Energy Billing (NEB)

EUT Committee Presentation  
January 21, 2025

# Net Energy Billing Programs

## kWh Program

- Available to all electric utility customers
- Provides kWh credits on participating customers' electricity bills
- Projects originally limited to less than 5 MW; projects now must be renewable generators less than 1 MW in size
- Customers may choose to have their own project, such as by installing solar panels on their rooftop, or to participate in a larger project on a “shared” basis with other customers. Shared projects are sometimes referred to as “community” projects
- Unused credits expire after 12 months

## Tariff Rate Program

- Available to non-residential customers
- Provides dollar credit on participating customers' electricity bill. Rate determined annually by the Commission using statutory requirements.
- Projects originally limited to less than 5 MW; projects after 12/31/23 can participate in the Tariff Rate Program only if the distributed generation resource is collocated with all of the distributed generation resource's net energy billing customers and those customers are subscribed to 100% of the facility's output.
- Customers may choose to have their own project or to share in a project with other commercial or institutional customers.
- Unused credits expire after 12 months

# Total Operational Capacity for NEB Projects

Total Operational Capacity (In MW)				
Program	Project Size			Total
	< 1 MW	1-2 MW	2-5 MW	
kWh Credit	175	53	395	623
Tariff Rate	37	25	498	560
<b>Total</b>	212	78	892	1,183

## Total Operational Capacity By Utility

CMP (In MW)				
Program	Project Size			Total
	< 1 Mw	1-2 Mw	2-5 MW	
kWh Credit	149	27	290	466
Tariff Rate	32	17	352	402
<b>Total</b>	182	44	642	867
Versant Power (In MW)				
Program	Project Size			Total
	< 1 Mw	1-2 Mw	2-5 MW	
kWh Credit	26	27	105	157
Tariff Rate	5	8	145	158
<b>Total</b>	31	35	250	316

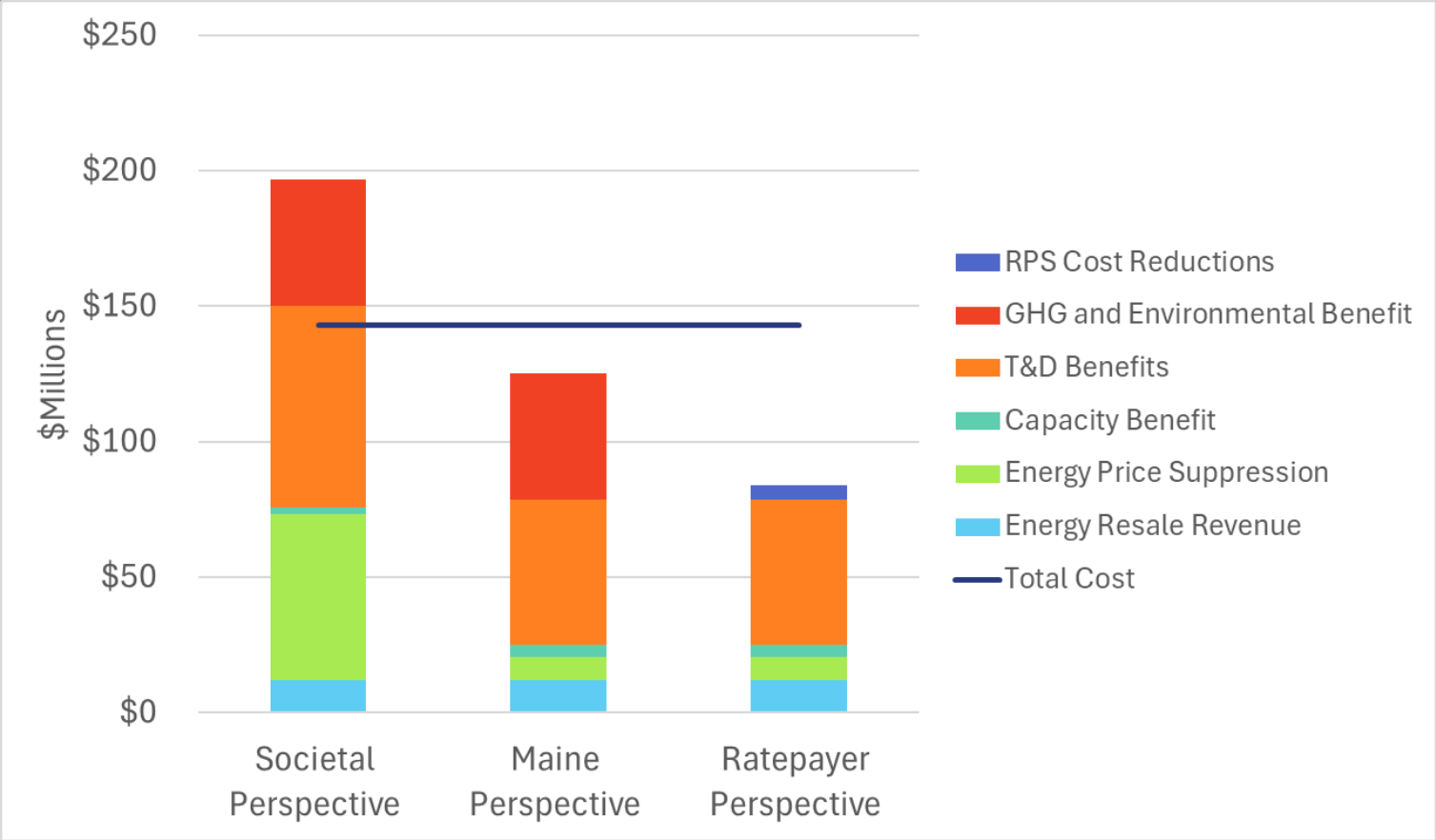
# Number of Contract Accounts Associated with Operational NEB Projects

Total # of Contact Accounts Associated w/ Operational Projects				
Program	Project Size			Total
	< 1 MW	1-2 MW	2-5 MW	
kWh Credit	22,885	6,868	76,029	105,782
Tariff Rate	2,010	524	5,648	8,182
<b>Total</b>	24,895	7,392	81,677	113,964

## Totals By Utility

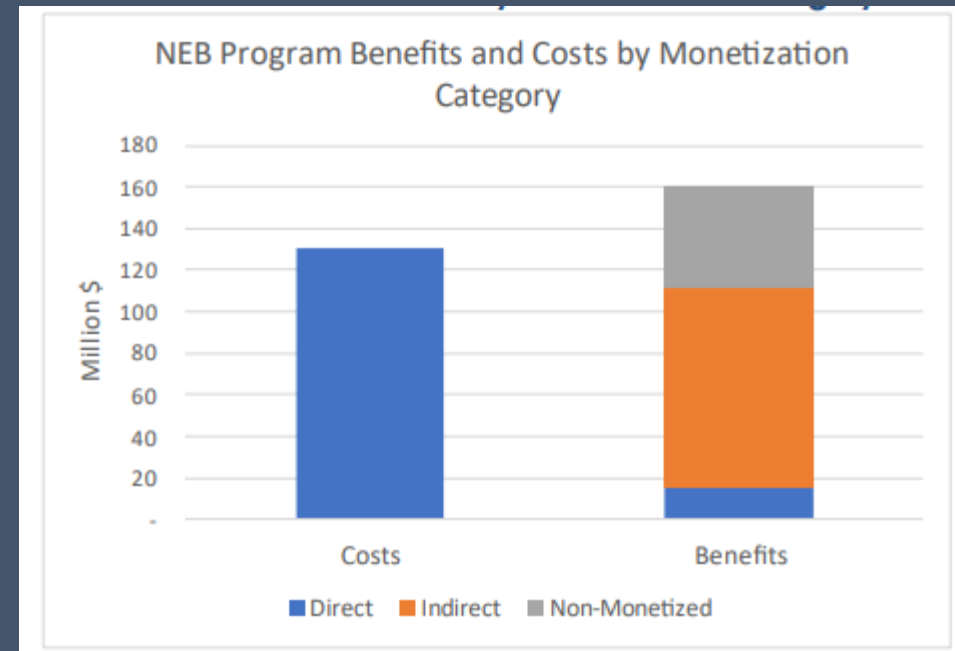
CMP (In MW)				
Program	Project Size			Total
	< 1 Mw	1-2 Mw	2-5 MW	
kWh Credit	19,626	4,129	67,915	91,670
Tariff Rate	1,922	432	4,479	6,833
<b>Total</b>	21,548	4,561	72,394	98,503
Versant Power (In MW)				
Program	Project Size			Total
	< 1 Mw	1-2 Mw	2-5 MW	
kWh Credit	3,259	2,739	8,114	14,112
Tariff Rate	88	92	1,169	1,349
<b>Total</b>	3,347	2,831	9,283	15,461

# Benefits of NEB Program Vary By Perspective



# NEB Costs And Benefits By Monetization Category

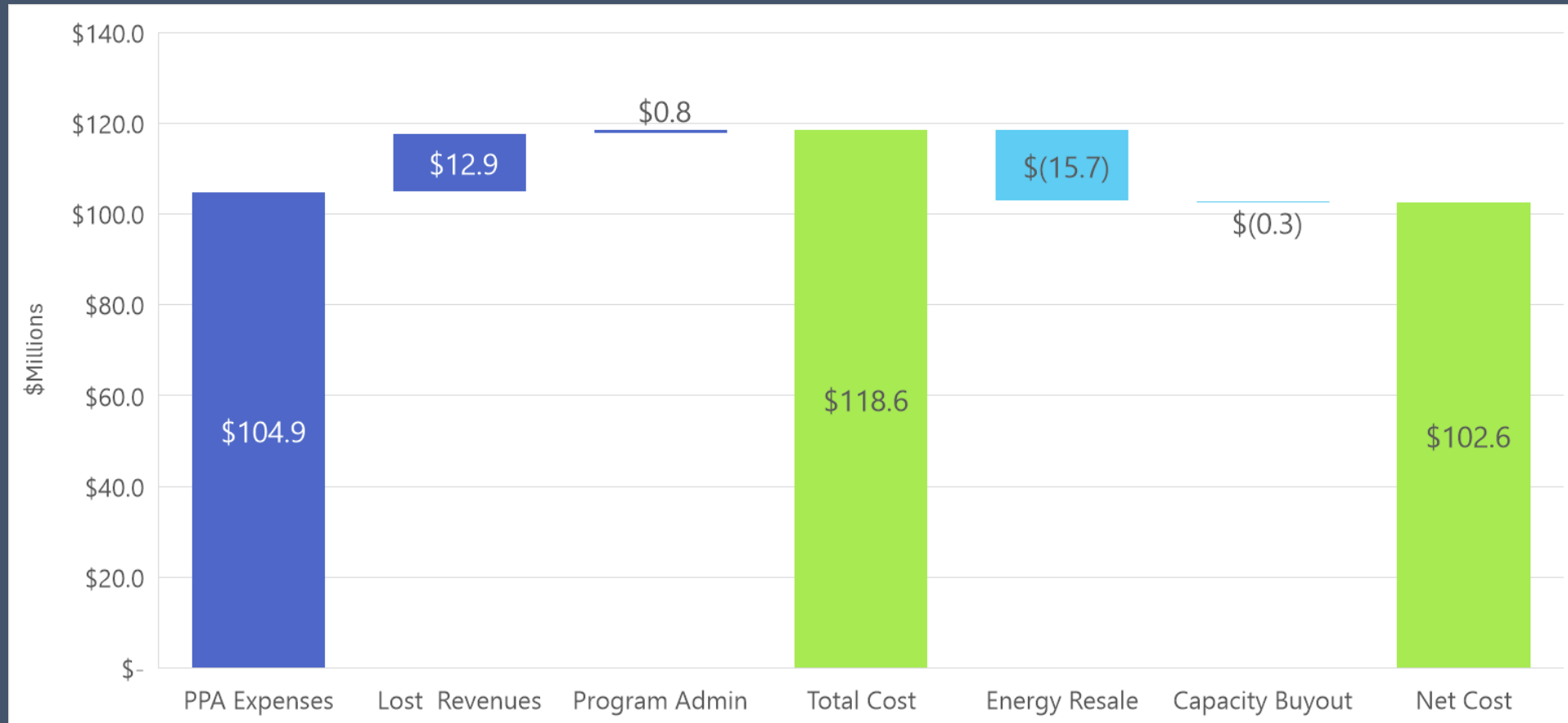
- Only direct benefits flow through the NEB cost calculation
  - Includes energy resale revenue and a portion of the capacity benefit
- Other benefits reduce costs by reducing prices from what they would have been without the NEB program



# NEB Direct Bill Impact: Actual Expenses And Revenues From NEB Cost Year March 2023 To February 2024

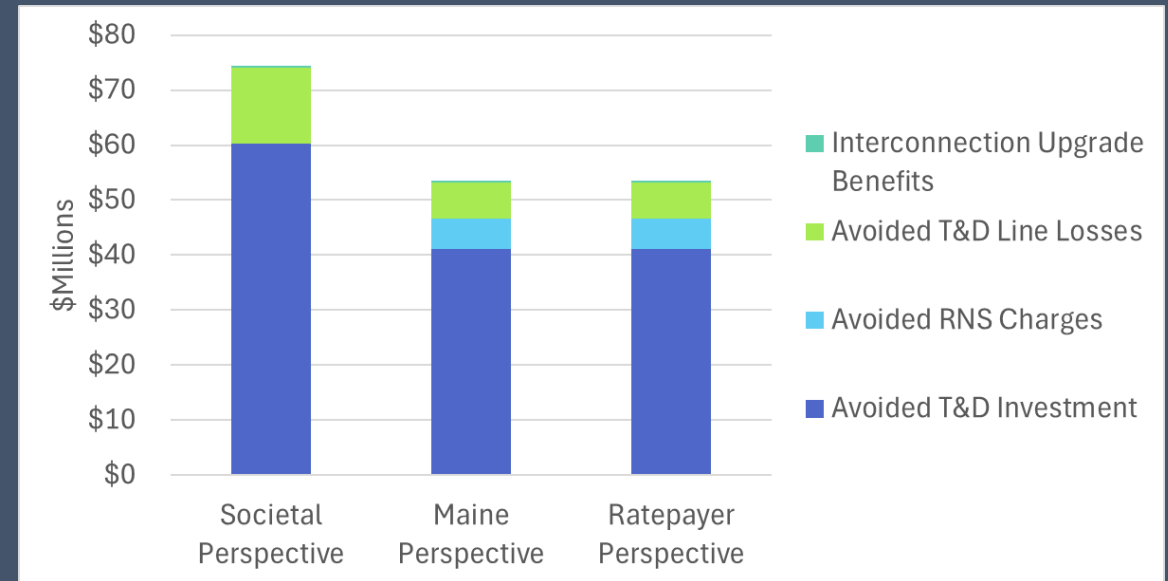
SEA Benefit & Cost Components		CMP (Docket 2024-00015)	Versant (Docket 2024-00078)	Total	Notes
Project PPA Expenses	Cost	81,387,408	23,501,240	104,888,648	Dollar amount of bill credits provided to participants in the tariff rate program.
Lost Utility Revenues	Cost	10,887,924	2,049,259	12,937,182	Revenue loss resulting from the application of kWh credits.
Program Admin	Cost	506,732	245,651	752,383	Cost utilities incur to administer the NEB program.
Energy Resale	Benefit	(12,725,599)	(2,993,417)	(15,719,016)	Revenue realized from re-sale of energy provided via the tariff rate program.
Capacity Buyout Revenue	Benefit	(300,973)	-	(300,973)	Revenue received from projects electing the capacity buyout option.
<b>Net Cost</b>		<b>79,755,491</b>	<b>22,802,733</b>	<b>\$ 102,558,225</b>	<b>Net Program cost recovered in rates.</b>

# NEB Direct Bill Impact: Actual Expenses And Revenues From NEB Cost Year March 2023 To February 2024



# Transmission and Distribution Benefits

Category	Description
Interconnection Upgrade Benefits	NEB projects pay for grid upgrades as part of interconnection costs. This may reduce future upgrades required and reduce future ratepayer costs. The SEA report has estimated that 25% of interconnection costs paid by developers will reduce future ratepayer investment
Avoided T&D line losses	Line losses avoided by reducing system load by adding distributed generation
Avoided RNS Charges	Resources acting as load reducers during Maine's monthly peak hours reduce Maine's share of the Regional Network Service charges
Avoided T&D Investment	Distribution-connected resources that generate energy during periods of high demand could reduce future needs for T&D investment



*All categories of T&D benefits are indirect and do not generate revenue that can immediately reduce ratepayer costs*

## Docket No. 2024-00137

- The Commission is currently investigating rate design of post-restructuring costs because in a prior docket (Docket No. 2023-00230) the Commission found that a rate impact analysis showed that:
  - The fixed charge impacted some larger rate classes dramatically, with low kWh usage customers within some classes paying much more than they would have under volumetric recovery; and
  - High kWh usage customers in these classes paying much less than they would under volumetric recovery (There is much more usage variability in the large class than in other classes).

## Docket No. 2024-00149

- Proceeding regarding the report required pursuant to 35-A M.R.S. § 3209-C prepared by Sustainable Energy Advantage, LLC (SEA)
- Allowing stakeholders to weigh in on the assumptions and methodologies utilized by SEA
- The Commission will establish findings regarding the benefits of net energy billing and determine how to best communicate these benefits to ratepayers

# Open Commission Proceedings

# Thank You!



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