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Majority Report of the Committee on **ENERGY**, **UTILITIES AND TECHNOLOGY** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-295)** on Bill "An Act To Promote Solar Energy Projects and Distributed Generation Resources in Maine"

(S.P. 565) (L.D. 1711)

Signed: Senators:

LAWRENCE of York MIRAMANT of Knox WOODSOME of York

Representatives:

BERRY of Bowdoinham CAIAZZO of Scarborough DOUDERA of Camden GROHOSKI of Ellsworth KESSLER of South Portland RILEY of Jay RYKERSON of Kittery

Minority Report of the same Committee reporting **Ought Not to Pass** on same Bill.

Signed:

Representatives:

FOSTER of Dexter HANLEY of Pittston

Came from the Senate with the Majority OUGHT TO PASS AS AMENDED Report READ and ACCEPTED and the Bill PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-295).

READ.

Representative BERRY of Bowdoinham moved that the House **ACCEPT** the Majority **Ought to Pass as Amended** Report.

Representative HANLEY of Pittston **REQUESTED** a roll call on the motion to **ACCEPT** the Majority **Ought to Pass as Amended** Report.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: The Chair recognizes the Representative from Pittston, Representative Hanley.

Representative **HANLEY**: Thank you, Madam Speaker, Ladies and Gentlemen of the House. I rise in opposition to this.

I've said it before and I'll say it again that I do not oppose solar panels; I oppose solar policy, and it is only the policy that I oppose. This bill, because of its policy, will raise the electric rates on all of the ratepayers, small and large, in this State. The cost to the homeowner under this particular bill will be pretty small but to your small and medium consumers, namely the industrial and commercial places and, you know, I'm not talking large, I'm talking quite small and medium; restaurants, gas stations, hotels, greenhouses. They're going to see significant cost because of this legislation. The Public Utilities Commission has made a table, it's available for your viewing pleasure, that is quite frightening and I'm hoping that you'll take a moment to look at it.

I'm here to speak for the little guy, because under this proposal, the Public Utilities Commission says that it's only going to be about a \$50 a year impact on the average homeowner. Well, that doesn't sound like much, except, you know, that's \$4 a month. Well, that's a gallon of milk a month you can't buy, or two loaves of cheap bread you can't buy

because someone else has to have solar panels. Our policy, again, I shouldn't say panels, someone else has to have a policy that makes you pay for that policy.

In 1960, President Eisenhower when he was leaving office warned us about the creation of the military industrial complex. Well, I'm here to warn you about the solar industrial complex. And that's where one group of people, an organization, comes and lobbies and promotes something, and what they promote is a return on investment on the backs and citizens of this State. I represent those people that need to pay their bills every month and run businesses, and we all do that. There are better policies to be had. This one is not it.

I ask you to reject this policy for what it does to our citizens, not because of the panels, again, it is because of the policy. I ask you to follow my light and reject this. Thank you, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Dexter, Representative Foster.

Representative **FOSTER**: Thank you, Madam Speaker, Ladies and Gentlemen of the House. LD 1711 is the big solar bill we've probably all heard about, some of you for a few years now. It would seek to jumpstart solar renewable energy installation in Maine, by incentivizing over 800 megawatts of new construction.

Now, I'm not opposed to solar-powered generation, but I am opposed to this bill. Not only is it big, but it is very expensive. Recently, we heard an impassioned floor speech discussing some of the reasons increased solar electric generation is necessary from the Good Representative who started working on the issue at a very young age. As we know, generating power using photovoltaic cells is not new. Many years ago in high school, I studied the physics behind what was then a fairly recent development. The rather expensive unit we had in our lab, a two-square-inch plate powering a small attached fan, showed what might one day be possible. In a few short years, around the time the Good Representative from Standish was discovering roast beef, a new generation looking to get back to nature acquired some of the old run-out farms in my area. With a trust fund in one pocket and a copy of Mother Earth News in the other, they built their own solarcollecting panels for hot water and to charge their bank of used Volkswagen batteries. They were off the grid. They didn't need a lot of electricity. They didn't ask for subsidies and they just wanted to be left alone to tend their farms.

Solar power has come a long way since then. Installation costs have dropped. Panels and equipment produced in China are said to be 75% less expensive today than those available just a few short years ago. We see them mounted on houses and backyards and covering old hay fields along I-95. Federal tax dollars and other subsidies have already jumpstarted their use. Although one of the more inefficient renewable energy sources available, we've decided those with solar panels will be subsidized by other electric ratepayers to help them out despite their affluence and ability to pay their own way. Large grid-scale projects have been approved with lower and lower guaranteed kilowatt hour payments the last few years. In the last two weeks, the Public Utilities Commission approved contracts at less than 4 cents per kilowatt hour. One of these, a 100-megawatt project, came in at 3.45 cents with a 2.5% increase per year with a ten-year term, not 20.

LD 1711 will be much costlier to ratepayers. First of all, there's a fiscal note of nearly \$735,000 in the first year, \$852,000 in the second, and an additional \$12,000 each of the following two years. However, 1711 will not languish on the appropriations table as these costs for the PUC to administer

this complex bill will be charged to the ratepayers. Secondly, a large portion of the projects approved will fall under the net metering part of the bill. This means those producers will have connection to the grid for sale, purchase, and access to standby generation with little cost while receiving retail pricing credits for power they sell to the grid. You may recall that the end of gross metering added \$3 million to ratepayers for a much smaller generating capacity than we're talking about procuring in this bill. Thirdly, previous legislation to determine labor requirements for construction will add project costs borne eventually by the ratepayers. Lastly, the scheme used to award contracts in this bill will result in 20-year guaranteed payments above market pricing for the larger commercial-scale projects. Although it will likely be more, a contract price just 2 cents above the going market rate would result in estimated stranded costs of more than \$13 million a year for the 375 megawatts and more than \$20 million for the estimated 800 megawatts this bill might subsidize. Again, borne by ratepayers.

Madam Speaker, last Friday night we heard on this Floor that the residents of Maine would see no new fees and no new taxes as a result of the new budget. If this bill becomes law as printed, the affected ratepayers will see increases to their monthly bills, no matter their economic situation, and businesses large and small will need to make budget adjustments in order to pay too much for too little to subsidize one of the more inefficient forms of renewable energy. Thank you, Madam Speaker, and I ask that we oppose the pending motion.

The SPEAKER: The Chair recognizes the Representative from South Portland, Representative Kessler.

Representative **KESSLER**: Thank you, Madam Speaker. I request that we take a 10,000-foot view of what we are about to vote on right now. We live in a world where we need to do something about our runaway climate change. We need to do something to protect ourselves from fluctuating costs of energy. We need to produce our own energy in this State. And this bill opens up the door for all of us to be self-sustaining in our own energy production. We can talk about the numbers until the cows come home, but this is an excellent investment in our future and I urge you to vote in favor of this bill. Thank you, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Bowdoinham, Representative Berry.

Representative **BERRY**: Thank you, Madam Speaker. Madam Speaker and Men and Women of the House, it is a beautiful summer day, almost the longest day of the year, and the sun is shining. And, as we speak, in the New England grid, solar panels are generating less than 1% of the energy that is serving the New England demand. Sixty percent of the power being generated at this moment is coming from natural gas, the most expensive source that we have available to ourselves. Maine has less than 600 jobs in the solar field. Massachusetts, by comparison, has 10,000.

Madam Speaker, the bill before us, the bipartisan bill before us, is about jobs, it is about investment in our future, it is about our energy independence and security, and it's about increasing access and choice. The community solar provisions in LD 1711 through shared net energy billing will allow renters, those without a suitable roof, and those who can't afford the up-front cost of a solar array to participate in the benefits of net energy billing. It will lift arbitrary caps on both the number and the size of shared arrays, caps which even Central Maine Power and Emera Maine have suggested could be lifted in previous dockets before the Public Utilities Commission. It includes robust and reasonable procurement, allowing us to hedge against the volatile costs of fuels like natural gas that set the price, the clearing price in our energy markets and affect all of us, every day.

The bill before us allows businesses and institutions to participate in net energy billing by allowing an innovative new program which provides those participating with a credit against their demand charges. I want to say, as well, that this bill is not just about solar. At this moment, there are resources participating in net energy billing in Maine that include wind, that include hydro, that include biodiesel and that include combined heat and power. The value that these programs and these policies provide to us is far more than the cost. We have seen and heard some statistics quoted by those opposed that reflect only the cost but completely omit the benefit side of the equation. Even our own Public Utility Commissions estimates reflect only the costs and, admittedly, explicitly exclude the benefits. These benefits include avoided energy costs, avoided generation capacity and reserve capacity costs, avoided transmission capacity cost. The net socialized costs, costs we all pay for carbon emission, sulfur dioxide emissions, nitrous oxide emissions which affect our health and our climate, market price response and fuel price uncertainty. All of these benefits factored in together more than outweigh the costs of the policy proposed before us today.

Madam Speaker, I can think of no better way to spend this day, this sunny day close to the summer solstice, than by passing a bill that would move Maine's economy forward, that would grow our own renewable energy jobs and businesses, make us more energy independent, and allow us to boost the portion of renewable energy, the free sunshine falling all around us today, in our energy mix. Thank you, Madam Speaker.

The SPEAKER: The pending question is acceptance of the Majority Ought to Pass Report.

The Chair recognizes the Representative from Knox, Representative Kinney.

Representative **KINNEY**: Thank you, Madam Speaker. May I pose a question through the Chair?

The SPEAKER: The Representative may proceed.

Representative **KINNEY**: Thank you. In looking at the definition, it's saying investor-owned transmission and distribution utility, and looking at the section where it describes that, it says an investor-owned transmission and distribution utility means a transmission and distribution utility other than a consumer-owned transmission and distribution utility as defined in section 3201. Does this mean that the power generated by the solar farms or, so to speak, or these sections are going to be flowing along the CMP and Emera lines that the rest of us that don't have solar power are paying the T&D for that and these people aren't going to have to pay the T&D?

The SPEAKER: The Representative from Knox has posed a question through the Chair, and the Chair recognizes the Representative from Bowdoinham, Representative Berry.

Representative **BERRY**: Thank you, Madam Speaker. It's an excellent question. Many of our consumer-owned utilities have only a few hundred customers and for that reason they are allowed to but not required to participate in these programs. The same is true of the NMISA territory which is actually served by an investor-owned utility, for the most part. But because of the small number of customers, the proposals here could have an unbalancing impact which we wanted to make sure that they could look at and determine for themselves how to proceed. Thank you. The SPEAKER: A roll call has been ordered. The pending question before the House is Acceptance of the Majority Ought to Pass as Amended Report. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 282

YEA - Ackley, Alley, Austin B, Babbidge, Babine, Bailey, Beebe-Center, Berry, Blume, Brennan, Brooks, Bryant, Caiazzo, Cardone, Carney, Cloutier, Collings, Cooper, Corey, Craven, Crockett, Cuddy, Daughtry, Denk, Dodge, Doore, Doudera, Dunphy, Evangelos, Farnsworth, Fecteau R, Foley, Gattine, Gramlich, Grohoski, Handy, Harnett, Hepler, Hickman, Higgins, Hobbs, Hubbell, Hymanson, Ingwersen, Jorgensen, Kessler, Kornfield, Landry, Madigan C, Marean, Martin J, Martin R, Mastraccio, Matlack, Maxmin, McCrea, McCreight, McDonald, Melaragno, Meyer, Moonen, Morales, Moriarty, Nadeau, O'Neil, Paulhus, Pebworth, Peoples, Perry A, Perry J, Pierce T, Pluecker, Reckitt, Riley, Riseman, Roberts-Lovell, Rykerson, Schneck, Sharpe, Sheats, Stanley, Stover, Sylvester, Talbot Ross, Tepler, Terry, Tipping, Tucker, Verow, Warren, White B, Zeigler, Madam Speaker.

NAY - Andrews, Arata, Austin S, Bickford, Blier, Bradstreet, Campbell, Cebra, Costain, Curtis, Dillingham, Dolloff, Drinkwater, Faulkingham, Fecteau J, Foster, Griffin, Haggan, Hall, Hanington, Hanley, Harrington, Head, Hutchins, Javner, Johansen, Keschl, Kinney, Kryzak, Lockman, Lyford, Martin T, Mason, Millett, Morris, O'Connor, Ordway, Perkins, Pickett, Prescott, Reed, Rudnicki, Sampson, Skolfield, Stearns, Stetkis, Stewart, Strom, Swallow, Theriault, Tuell, White D.

ABSENT - DeVeau, Fay, Grignon, McLean, Wadsworth.

Yes, 93; No, 52; Absent, 5; Excused, 1.

93 having voted in the affirmative and 52 voted in the negative, with 5 being absent and 1 excused, and accordingly the Majority **Ought to Pass as Amended** Report was **ACCEPTED**.

The Bill was **READ ONCE**. **Committee Amendment** "A" (S-295) was **READ** by the Clerk.

Representative FOSTER of Dexter **PRESENTED House Amendment "A" (H-618)** to **Committee Amendment "A" (S-295)**, which was **READ** by the Clerk.

The SPEAKER: The Representative from Dexter may proceed.

Representative **FOSTER**: Thank you, Madam Speaker, Ladies and Gentlemen of the House. This amendment replaces part B of LD 1711. It will allow the PUC to approve solar renewable energy projects at market rates and terms. This will allow for the construction of more generating capacity at less cost to the affected ratepayers.

Madam Speaker, being an engineer, I look to solve an issue in the most efficient, cost-effective way possible. That doesn't always work at home, but I still try. I also look at what the worst-case and best-case scenario is when faced with a problem. If I assume the worst case and can engineer a solution that will work, then I have likely secured a positive outcome. Let's assume the worst-case scenario for climate change suggested by some. If we have only a decade or so to save our children and grandchildren, I would look at the most efficient and controllable forms of renewable energy and would be retooling existing hydro dams and pouring concrete to build new ones. That aside, if I were to invest in solar, using the bill before us. I would certainly add as much capacity to the grid as I could, for the money that I have. LD 1711 does not do that. This amendment will. This amendment could allow twice the install capacity for half the money. It would allow the purchase of 750 megawatts of solar versus 375 megawatts for the same money with no impact to ratepayers.

The numbers I've included today come from the PUC. I've also requested each of you to receive a handout assembled from energy industry information. It shows current renewable energy pilot projects that were referred to by the Good Representative from Bowdoinham and their contract rates. It also includes historical data on larger scale solar projects. Please note, the solar projects contracted for installation in Maine to help Connecticut meet their renewable energy goals come in at up to 50% lower rates than LD 1711 would allow for us. Thank you, Madam Speaker, and I ask that you follow my light.

The SPEAKER: The Chair recognizes the Representative from Bowdoinham, Representative Berry.

Representative **BERRY**: Thank you, Madam Speaker. Madam Speaker, I rise not to move indefinite postponement but to speak against the pending motion because, with due respect to my good friend from Dexter, I do not find it necessary or particularly helpful to the goals of this legislation. It weakens the procurement section significantly and is similar to a part of the bill that the committee ultimately, after due consideration, chose to leave out. In addition, there's a definition which I think is redundant of what qualifies as a distributed generation resource. As I mentioned, hydro, wind and other resources can currently qualify as distributed renewables.

Madam Speaker, I think that we've all worked on this bill very hard, it has very bipartisan support not only in this building but from 85% of Maine people, and I suggest that we make it law without further delay. Thank you.

Representative MOONEN of Portland **REQUESTED** a roll call on the motion to **ADOPT House Amendment "A" (H-618)** to **Committee Amendment "A" (S-295)**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: The Chair recognizes the Representative from Pittston, Representative Hanley.

Representative **HANLEY**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House, this amendment is exactly what I support. My earlier statements about policy and not panels, this amendment is the right kind of policy. It will double the amount of solar power possibility and cut the cost in half to the ratepayers. It will virtually not affect the ratepayers. This is a wonderful amendment; I fully support this solar policy. I ask you to follow my light and adopt this amendment. Thank you.

The SPEAKER: The Chair recognizes the Representative from Scarborough, Representative Caiazzo.

Representative **CAIAZZO**: Thank you, Madam Speaker. Madam Speaker, Men and Women of the House, in deference to my good colleague from Dexter, I have a very similar background and training, and I want to point out the importance of having a very diversified generation mix. We shouldn't be putting all of our eggs in either a hydro basket or a gas turbine basket or a solar basket. What this bill does is it allows for good diversification of an energy resource that is clearly underserved right now. It needs to be brought up to the forefront, it's not the final solution, but it certainly helps in our energy diversification mix and, according to ISO New England, without a good diversified energy portfolio, we could be experiencing challenges as we electrify the grid for more heat pumps, more electric vehicles, so I urge you to vote against this amendment. Thank you.

The SPEAKER: The Chair recognizes the Representative from Camden, Representative Doudera.

Representative **DOUDERA**: Thank you, Madam Speaker. I just wanted to add something quickly. I'm someone who has worked with low-income people in Maine for the past 15 years, both through my church and as president of Midcoast Habitat for Humanity and now I'm on the board again. And one thing that I really appreciated in this bill that I think is very important and maybe hasn't been mentioned is that this bill will further reduce the barriers to solar energy by mandating that solar farms across the State serve low- and middle-income people. And I just thought that was important for people to know. Thank you.

The SPEAKER: A roll call has been ordered. The pending question before the House is Adoption of House Amendment "A" (H-618) to Committee Amendment "A" (S-295). All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 283

YEA - Andrews, Arata, Austin S, Bickford, Blier, Bradstreet, Campbell, Cebra, Costain, Curtis, DeVeau, Dillingham, Dolloff, Drinkwater, Faulkingham, Fecteau J, Foster, Griffin, Haggan, Hall, Hanington, Hanley, Harrington, Head, Hutchins, Javner, Johansen, Keschl, Kinney, Kryzak, Landry, Lockman, Lyford, Martin T, Mason, Millett, Morris, O'Connor, Ordway, Perkins, Pickett, Prescott, Reed, Rudnicki, Sampson, Skolfield, Stearns, Stetkis, Stewart, Strom, Swallow, Theriault, Tuell, White D.

NAY - Ackley, Alley, Austin B, Babbidge, Babine, Bailey, Beebe-Center, Berry, Blume, Brennan, Brooks, Bryant, Caiazzo, Cardone, Carney, Cloutier, Collings, Cooper, Corey, Craven, Crockett, Cuddy, Daughtry, Denk, Dodge, Doore, Doudera, Evangelos, Farnsworth, Fecteau R, Foley, Gramlich, Grohoski, Handy, Harnett, Hepler, Hickman, Higgins, Hobbs, Hymanson, Ingwersen, Kessler, Kornfield, Madigan C, Marean, Martin J, Martin R, Mastraccio, Matlack, Maxmin, McCrea, McCreight, McDonald, Melaragno, Meyer, Moonen, Morales, Moriarty, Nadeau, O'Neil, Paulhus, Pebworth, Peoples, Perry A, Perry J, Pluecker, Reckitt, Riley, Riseman, Roberts-Lovell, Rykerson, Schneck, Sharpe, Sheats, Stanley, Stover, Talbot Ross, Tepler, Terry, Tipping, Tucker, Verow, Warren, White B, Zeigler, Madam Speaker.

ABSENT - Dunphy, Fay, Gattine, Grignon, Hubbell, Jorgensen, McLean, Pierce T, Sylvester, Wadsworth.

Yes, 54; No, 86; Absent, 10; Excused, 1.

54 having voted in the affirmative and 86 voted in the negative, with 10 being absent and 1 excused, and accordingly House Amendment "A" (H-618) to Committee Amendment "A" (S-295) was NOT ADOPTED.

Subsequently, **Committee Amendment "A" (S-295)** was **ADOPTED**.

Under suspension of the rules, the Bill was given its **SECOND READING WITHOUT REFERENCE** to the Committee on **Bills in the Second Reading**.

Under further suspension of the rules, the Bill was PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (S-295) in concurrence.

SENATE PAPERS Non-Concurrent Matter

Resolve, Directing the Department of Agriculture, Conservation and Forestry To Convey Certain Lands to Roosevelt Conference Center Doing Business as Eagle Lake Sporting Camps (PUBLIC LAND)

> (H.P. 107) (L.D. 125) (C. "A" H-303)

House **INSISTED** on its former action whereby the Resolve **FAILED** of **FINAL PASSAGE** in the House on June 12, 2019.

Came from the Senate PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-303) AS AMENDED BY SENATE AMENDMENT "A" (S-288) thereto in NON-CONCURRENCE.

Speaker GIDEON of Freeport moved that the House **RECEDE AND CONCUR**.

Representative ROBERTS-LOVELL of South Berwick **REQUESTED** a roll call on the motion to **RECEDE AND CONCUR**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: A roll call has been ordered. The pending question before the House is to Recede and Concur. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 284

YEA - Alley, Andrews, Arata, Austin B, Austin S, Babine, Bickford, Blier, Blume, Bradstreet, Bryant, Caiazzo, Campbell, Cardone, Cebra, Cloutier, Collings, Cooper, Corey, Costain, Craven, Crockett, Curtis, Denk, DeVeau, Dillingham, Dolloff, Doore, Drinkwater, Evangelos, Faulkingham, Fecteau J, Fecteau R, Foster, Griffin, Haggan, Hall, Hanington, Hanley, Harrington, Head, Hickman, Hobbs, Hubbell, Hutchins, Hymanson, Ingwersen, Javner, Johansen, Keschl, Kinney, Kornfield, Kryzak, Lockman, Lyford, Madigan C, Martin J, Martin R, Martin T, Mason, Mastraccio, Maxmin, McCrea, McDonald, Millett, Moonen, Moriarty, Morris, Nadeau, O'Connor, Ordway, Perkins, Perry A, Perry J, Pickett, Pluecker, Prescott, Reckitt, Reed, Riley, Riseman, Rudnicki, Rykerson, Sampson, Schneck, Sharpe, Sheats, Stanley, Stearns, Stetkis, Stewart, Stover, Strom, Swallow, Talbot Ross, Terry, Theriault, Tuell, White B. White D. Madam Speaker.

NAY - Ackley, Babbidge, Bailey, Beebe-Center, Berry, Brennan, Brooks, Carney, Cuddy, Daughtry, Dodge, Doudera, Farnsworth, Foley, Gramlich, Grohoski, Handy, Harnett, Hepler, Higgins, Kessler, Landry, Marean, Matlack, McCreight, Melaragno, Meyer, Morales, O'Neil, Paulhus, Pebworth, Peoples, Roberts-Lovell, Skolfield, Sylvester, Tepler, Tipping, Tucker, Verow, Warren, Zeigler.

ABSENT - Dunphy, Fay, Gattine, Grignon, Jorgensen, McLean, Pierce T, Wadsworth.

Yes, 101; No, 41; Absent, 8; Excused, 1.

101 having voted in the affirmative and 41 voted in the negative, with 8 being absent and 1 excused, and accordingly the House voted to **RECEDE AND CONCUR**.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH** with the exception of matters being held.

REPORTS OF COMMITTEE Divided Reports

Majority Report of the Committee on AGRICULTURE, CONSERVATION AND FORESTRY reporting Ought to Pass as Amended by Committee Amendment "A" (S-301) on Resolve, Authorizing the Transfer of a Plot of Land from the State to the Town of Allagash

(S.P. 594) (L.D. 1762)

Signed: Senators:

DILL of Penobscot BLACK of Franklin