

**Summary of Public Hearing Testimony for LD 1403
Resolve, To Require the PUC to Amend its Rules Regarding Net Energy Billing**

Pros	Cons
<ul style="list-style-type: none"> • Net metering is an important part of the many tools available in our efforts to reduce our costs and encourage renewable energy • NH raised its upper limit for net metering of eligible renewables and CHP to 1,000 kW and matched our standards for CHP efficiency • ME’s advanced recognition of “efficient combined heat and power” could provide a strong base to compete for Federal funds to advance CHP applications in industry and commercial applications • Experience has not shown there to be an overwhelming rush to net meter by large scale CHP facilities or even ones under 1,000 kW • Best practice across the country is that groups should be allowed to participate in and share in net energy billing without having to own the generator source or sources • Distributed generation represents an economically efficient alternative to the centralized utility model that has dominated the past century • Distributed generation can be more cost-effective at solving certain problems than building expensive transmission lines • We need to do all we can to keep transmission costs down, and encouraging customers to develop their own distributed generation projects is one piece of that puzzle • Net energy billing is one of the few policies that combines fiscal conservatism with forward-thinking development initiative • The renewables industry now supports 200-300 high-skill, good paying jobs that are here to stay • Data from states with a longer history than Maine’s of net energy billing illustrate that the overall ratepayer benefit is greater than 	<ul style="list-style-type: none"> • Although net metering fosters the policy of promoting renewable energy we must also be mindful of the subsidy it creates • Net energy billing customers receive credits for the full value of the retail price of electricity for a wholesale product; the effect of this crediting is to create a subsidy that promotes renewables through funds from the utility and its general body of ratepayers • Who are the people who will take advantage of the increased or eliminated limits on net metering? – they will be in large measure, well-to-do individuals • We question an increase to a subsidy for a limited number of customers who can afford very costly solar arrays or wind turbines while they put an added burden on the general body of ratepayers, especially low-income individuals • Information from Chapter 313 March 1 report would be helpful in assessing what additional benefits are needed to promote net metering goals, while also providing the cost information relevant to determine the burden of the subsidies that promote those benefits • Net energy billing shifts T&D costs to non-participating customers • Larger facilities means greatly expanded risk to non-participating customers • Compounds the risk of net energy billing to our core customers because it would allow very large customers or groups of customers to avoid T&D costs by contracting with a wholly unaffiliated eligible generator • Implication is that the generator would have some ability to sell T&D credits directly to other customers, effectively bypassing the utility • We need to look to other states for guidance • Broader evaluation of the programs needed

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<p>the cost</p> <ul style="list-style-type: none"> • Solar projects displace far costlier peak power from the most expensive (and dirtiest) power plants in the region • There is no downside to increasing the project limit to 1 MW; in fact, larger projects will produce greater benefits to all ratepayers • Rewording the rule to modify the shared ownership requirement allows groups of Mainers to actively participate in group net energy billing projects without being in contravention of Federal tax rules • Larger facilities (like Brunswick Landing) will create local jobs, reduce electricity costs, increase energy efficiency, decrease demands on the grid, improve grid reliability and reduce the emission of greenhouse gases • Will stimulate distributed energy projects by allowing groups of utility customers to participate in net energy billing without sharing ownership of the generating facility • By promoting the installation of distributed generation, net energy billing may have some ratepayer cost reduction benefit by increasing generation supply and deferring the need for distribution upgrades; such cost reductions are likely to be small and very dependent on the particular location of the generating facility 	<p>first</p> <ul style="list-style-type: none"> • Effectively allows direct sales of T&D services from generators to customers under the guise of net energy billing, creating significant financial risks for non-participating customers and provides participating generators an unfair competitive advantage and undermines retail competition • An increase in the eligibility limit would result in some incremental revenue losses that would ultimately be paid for by ratepayers • Cost of net energy billing has been relatively modest and the precise amount of incremental lost revenues would be difficult to predict • The removal of an ownership or legal interest requirement would fundamentally change the nature of net energy billing and substantially expand the eligibility of the program and the resulting ratepayer costs beyond facilities developed to serve customer's own needs