

To: NEB Subcommittee
From: Dirigo Solar
Date: May 22, 2021
Re: Grandfathering Current NEB Projects

Dirigo Solar is a Maine-based renewable energy company that has partnered with BNRG Renewables, a leading international developer of solar projects based in Dublin, Ireland. Dirigo focuses on Net Energy Billing (NEB) and transmission-scale projects and has won two awards from the Public Utilities Commission, both of which are expected to deliver major ratepayer savings. Currently, Dirigo is developing 35 projects across the state (500+ MWs) in both CMP's and Versant's territory. Dirigo has invested more than \$65 million in these projects to date.

Like other solar developers, Dirigo is closely following the work of the NEB subcommittee and understands it is looking at the issue of how to grandfather current solar projects under the NEB program.

Dirigo offers the following proposal in hopes it helps the committee develop a simple and straightforward approach.

Proposal

1. Grandfather all projects that submitted interconnection applications to CMP by May 20, 2020 or to Versant by September 15, 2020 (dates the PUC was notified that the amount of generation capacity involved in NEB reached 10% of the total maximum load)
 - a. Total MWs by these dates: 1,536 (1,233 in CMP territory, 303 in Versant (BHD) territory) (*excludes sub-1MW projects)
2. Allow for natural attrition to reduce MW total
 - a. Assuming 1/3 attrition: 1,029 total MWs (826 in CMP territory, 203 in Versant (BHD) territory)

Rationale

This proposal protects investment-backed expectations but also conforms to the notice given in LD 1711 about this 10% threshold. It avoids ambiguity and subjective evaluation of whether projects are mature as well as the administrative burden of policing development benchmarks. On balance, is it reasonable for developers to claim an expectation of coverage once this threshold was crossed?

Importantly, the number of projects in the queue at the time of PUC notification does not include any attrition assumptions. Using a conservative 33% attrition rate means that approximately 500MWs will not come online. Not only does this sufficiently cull the MW

total but it also upholds the legislative intent behind this 10% threshold, and built projects would represent roughly 7% of Maine's load.

In the event the subcommittee extends this safe harbor line until later in 2020 and cognizant that it is focused on mature, concrete projects, Dirigo proposes that included projects must be mechanically complete by the end of 2024. 'Mechanically complete' means the project is fully permitted, physically constructed, and full investment reached, but is still awaiting for CMP or Versant to officially allow energy to flow to the grid.

If the subcommittee prefers adding additional benchmarks, such as possession of municipal or state approvals or an i.3.9 approval, Dirigo recommends including a provision for excusable delays. Like the rationale for mechanical completion, the developer should not forfeit its protected status because factors outside its control resulted in a delayed approval.

Conclusion

Dirigo believes this proposal protects investment-backed expectations and supports LD 1711. Having crossed the 10% threshold, the Legislature is to examine the success of the NEB program and make appropriate changes. That is precisely what is happening now through this subcommittee work. Maine should follow this legislative direction and not retroactively punish projects that had met the timelines announced in LD 1711.