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Legislative Record

House of Representatives

One Hundred and Thirty-First Legislature

State of Maine

Daily Edition

First Special Session

Beginning April 5, 2023

Beginning with Page H-277

Dear Clerk Hunt:
Please be advised the Senate today insisted to its previous action whereby it accepted the Minority Ought Not to Pass Report from the Committee on Energy, Utilities and Technology on Bill “An Act to Increase Adoption of Solar Power in Maine” (H.P. 780) (L.D. 1232) in non-concurrence.
Best Regards,
S/Darek M. Grant
Secretary of the Senate

READ and **ORDERED PLACED ON FILE**.

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

ORDERS

On motion of Representative LAJOIE of Lewiston, the following House Order: (H.O. 30)

ORDERED, that Representative Jeffrey Sean Adams of Lebanon be excused Jun 12, 13, 14 and 15 for health reasons.

AND BE IT FURTHER ORDERED, that Representative John Andrews of Paris be excused Jun 6 and 7 for personal reasons.

AND BE IT FURTHER ORDERED, that Representative Rebecca J. Millett of Cape Elizabeth be excused Jun 16 for health reasons.

AND BE IT FURTHER ORDERED, that Representative Tiffany Roberts of South Berwick be excused Jun 16 for health reasons.

READ and **PASSED**.

REPORTS OF COMMITTEE
Ought to Pass Pursuant to Statute

Report of the **Joint Standing Committee on Energy, Utilities and Technology** on Bill "An Act to Address Abandoned Capital Credits Held by Rural Electrification Cooperatives"

(S.P. 835) (L.D. 2013)

Reporting **Ought to Pass** pursuant to the Maine Revised Statutes, Title 35-A, section 1714, subsection 8.

Came from the Senate with the Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED**.

The Report was **READ** and **ACCEPTED**.

The Bill was **READ ONCE**.

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** in concurrence.

Ought to Pass Pursuant to the Constitution

Report of the **Chief Justice of the Supreme Judicial Court** on Resolve, Approving the 2023 Draft and Arrangement of the Constitution of Maine Made by the Chief Justice of the Supreme Judicial Court and Providing for Its Publication and Distribution (EMERGENCY)

(S.P. 837) (L.D. 2015)

Reporting **Ought to Pass** pursuant to the Constitution of Maine, Article X, Section 6.

Came from the Senate with the Report **READ** and **ACCEPTED** and the Resolve **PASSED TO BE ENGROSSED**.

The Report was **READ** and **ACCEPTED**.

The Resolve was **READ ONCE**.

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

Under further suspension of the rules the Resolve was **PASSED TO BE ENGROSSED** in concurrence.

Refer to the Committee on Energy, Utilities and Technology
Pursuant to Joint Order

Report of the **Joint Standing Committee on Energy, Utilities and Technology** on Bill "An Act to Implement Recommendations of the Distributed Generation Stakeholder Group"

(S.P. 838) (L.D. 2016)

Reporting that it be **REFERRED** to the Committee on **ENERGY, UTILITIES AND TECHNOLOGY** pursuant to Joint Order 2023, S.P. 747.

Came from the Senate with the Report **READ** and **ACCEPTED** and the Bill **REFERRED** to the Committee on **ENERGY, UTILITIES AND TECHNOLOGY**.

The Report was **READ** and **ACCEPTED** and the Bill was **REFERRED** to the Committee on **ENERGY, UTILITIES AND TECHNOLOGY** in concurrence.

Divided Reports

Majority Report of the Committee on **ENERGY, UTILITIES AND TECHNOLOGY** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-421)** on Bill "An Act Relating to Net Energy Billing and Distributed Solar and Energy Storage Systems"

(S.P. 815) (L.D. 1986)

Signed:
Senators:
LAWRENCE of York
GROHOSKI of Hancock
Representatives:
ZEIGLER of Montville
BOYLE of Gorham
GEIGER of Rockland
KESSLER of South Portland
RUNTE of York
WARREN of Scarborough

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

Signed:
Senator:
HARRINGTON of York
Representatives:
BABIN of Fort Fairfield
DUNPHY of Embden
FOSTER of Dexter
PAUL of Winterport

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-421)**.

READ.

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

The same Representative **REQUESTED** that the Clerk **READ** the Committee Report.

The Clerk **READ** the Committee Report in its entirety.

The SPEAKER: The Chair recognizes the Representative from Montville, Representative Zeigler.

Representative **ZEIGLER**: Thank you, Madam Speaker. Madam Speaker, during the last few days, we've received sheets on our desks showing a very sort of scary view of the fact that the net billing is causing $220 million increases in what ratepayers will have to pay and also, it implied that the net energy billing was only helping fat cats from Wall Street. First of all, I'd like to say that those fat cats live in my district, such as ReVision Energy, which produces jobs and is very, very helpful to the ratepayers in my district. Also, we can look at Sundog in Searsport. We can look at different developers all across this State, small developers who are not from Wall Street. If you look at the bottom of that sheet, you'll notice who paid for that sheet and it's a large lobbying concern that represents many international groups such as Dragon, which is a Chinese company, and also other companies that are on Wall Street. So, there's a little bit of irony there. The $220 million is --

Representative **DUNPHY**: Point of Order.

The SPEAKER: The Chair recognizes the Representative from Embden, Representative Dunphy, and inquires as to why he rises.

Representative **DUNPHY**: Thank you. I apologize for blurting it out. I challenge the germaneness of whether the Chinese, the Italians or the French own a company. Thank you.

On **POINT OF ORDER,** Representative DUNPHY of Embden asked the Chair if the remarks of Representative ZEIGLER of Montville were germane to the pending question.

The SPEAKER: The Chair would remind the Member to limit his remarks to the germane of the motion.

The Chair reminded Representative ZEIGLER of Montville to stay as close as possible to the pending question.

The SPEAKER: The Chair recognizes the Representative from Montville, Representative Zeigler.

Representative **ZEIGLER**: Thank you, Madam Speaker. I will be more select. What? You can't hear me? Madam Speaker?

The SPEAKER: The Member may proceed a little closer to the mic.

Representative **ZEIGLER**: Thank you, Madam Speaker. How about that? I will refrain from making those allusions.

The $220 million was presented by the Office of the Public Advocate and it's using older figures from previous years and, also, we have to look at net energy billing not being responsible at this point for the increases in ratepayers' costs, we're looking at natural gas increases over the last year which has caused most of those rate increases. Thank you.

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

Representative **FOSTER**: Thank you, Madam Speaker. I expect you can hear me okay? I stand opposed to the pending motion. And for many of us that are here, I'm sure, net energy billing and how we pay for the solar that is out there that we see driving back and forth to the State House in our neighborhoods and on some of the farms that we've grown up around, is somewhat of a confusing issue.

As a matter of fact, the OPA was mentioned. I recall that the Public Advocate Howard, after being employed three weeks in the job; which, by the way, is expressly intended to look out for ratepayers; saying as we were meeting in Committee over Zoom that it's very complicated, even though he's been in the business and as an expert in various different positions over the years, it was very complicated for him to understand and he was very concerned about what it was going to end up costing Maine ratepayers. That's his job. That's what his Public Advocate office, by Statute, is required to do; look out for the ratepayers; utilities, gas, oil, water and especially electric.

So, for those who are maybe not as knowledgeable as others on this issue, I'd just like to go over a little bit of the history of this. On June 17th in 2019, I stood on this House Floor against the passage of what was then LD 1711, the bill that would greatly increase the amount of solar generation qualifying for net energy billing in Maine. At that time, net energy billing in Maine was basically to promote rooftop solar or backyard solar for individual users to help spur that market, if you will, but mostly to help those small homeowners or small businesses to provide some of their own power, if not all of it, and save money on the electric costs while obviously helping us move to more renewable energy. During the debate on the House Floor, I warned that although it will likely be more, a contract price just 2 cents above the going market rate would result in estimated standard costs of more than $13 million per year for the 375 megawatts and more than $20 million per year for the cost for the estimated 800 megawatts the bill would subsidize. Remember that number; $13 million was a concern, $20 million was even more of a concern, per year.

In 2020, the PUC reported they had halted the bid process for the first issue of net energy billing solar because of the high costs that were coming in from those that wanted to install programs or get in programs and install solar projects. By the fall of 2020, it was clear initial predicted extra costs to ratepayer for NEB were well below what contracts would be awarded at. Prior to closure for the 130th Legislature, various bills were submitted to curtail or suspend net energy billing. On January 24, 2022, the PUC reported to the Committee that the current operating projects receiving net energy billing were having a ratepayer impact of about $24 million per year. So, it's up a little bit. They estimated 750 megawatts of procurement would raise that to $165 million a year with the new standard offer rates. And as the Good Representative said, the new standard offer rates were mainly due to the price of natural gas which, of course, as we all probably know, has gone down considerably since last winter. Just last week, in spite of what you may have already heard, we learned that on July 1st, and I'm sure many of us have heard from our constituents about this, ratepayers will see a $135 million rate increase due to net energy billing projects currently online; $135 million. I was wrong when I stood on this floor with the numbers that I projected at that time. What that means for the previous projections of a total annual cost to ratepayers when all projects are online by January 1st of this year, we will be looking at a projected $220 million per year for 20 years. That remains to be seen because this $135 million is higher than what was expected even earlier this year and I expect that the $220 million per year for 20 years that we will end up with is low as well.

Madam Speaker, a lot of us, including myself, have seen a few people, lobbyists, out in the hallways this week; the last few days, some I didn't even recognize; purporting that this bill is better than anything else that has been or will be offered. And I stand to say that is not correct. This bill, the lobbyists for, who helped to write it, this bill will allow possibly a 10% decrease in that $220 million a year. It will also, because of some smoke and mirrors that I see in the bill, allow projects to continue to be put in, approved, and it will not have the safeguards that I think are necessary and I have included in other bills that would give us a much greater savings.

Madam Speaker, I agree, we've all seen handouts on our desks. As a matter of fact, I just got one a few minutes ago that has some of the folks that were represented by lobbyists out in the hallways the last couple of days, one of whom I just met for the first time last night. And, obviously, they will benefit from this bill being passed versus securing more savings for our constituents and ratepayers. Speaking of our constituents, we also received from the AARP a handout and they have been very much involved in this process. As a matter of fact, they were even on Zoom with us during the 130th because of the concern they have for their constituents. Madam Speaker, I'm sure you and I also have that concern for those folks that are members of AARP because they are among our most vulnerable citizens. However, we are the ones that are here that represent some of those that they don't. We represent folks that can't afford to be a member of AARP, that may not even realize they have that opportunity, that are being hurt extremely hard by increased rates on electricity, Madam Speaker. And, yes, natural gas is an issue but, guess what, we are going to continue to be dependent on natural gas, which provides somewhere around 40-60% of the ongoing electricity we use; that will decrease slightly over the years but we are going to be dependent on that to carry the load when solar is not able to.

So, Madam Speaker, I'll wrap this up in saying that this bill, in my opinion, which was put together by lobbyists who are now benefiting the most from net energy billing and obviously would like to continue to do so at the expense of our most vulnerable; no, at the expense of all Maine ratepayers who would rather be spending that money on other things such as groceries or maybe even a luxury. They are going to continue to benefit if we pass this bill. They are going to be protected. They made sure of that when they were sitting with the folks to write this bill up. I ask that you oppose it and I ask that you do not accept a mere possibly 10% reduction in what net energy billing is going to cost us for the next 20 years and I ask that you will give me leave so that we can work together on something that may provide a lot more. Thank you, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Gorham, Representative Boyle.

Representative **BOYLE**: Thank you, Madam Speaker. Madam Speaker, I rise in support of LD 1986. I serve as a Member of the Energy, Utilities and Technology Committee because I care deeply about getting our State off fossil fuels. In fact, as someone who built a career in environmental consulting in this State, I decided to run for office last year primarily to work on addressing getting us off fossil fuels. I understand there are some issues with net energy billing that others have described and we need to address those and we on EUT have been working to do that. I've been working on this since January but others have been working on this for years. Last year, we saw the spike in natural gas prices that led directly to a spike in electricity prices because net energy billing is connected to the standard offer for electricity prices that has brought us to this place with this issue. The work we've been doing since January has resulted in a solutions-oriented bill, which is what is before you right now.

I had many good conversations with the Public Advocate on net energy billing and up until May, I was still having those conversations, but I ended up supporting this bill. EUT Members, the Governor's Energy Office, the Public Utilities Commission and the solar industry did have some very tough conversations in getting to this bill. It's a compromise among parties. It's a measured approach that we can take right now, today, that provides certainty and doesn't harm our State's growing solar industry. And these are not just out-of-State companies. Many companies right here in Maine, employing Mainers, growing this renewable energy industry and providing significant workforce training as well.

In the long run, net energy billing also benefits Mainers. I've heard from towns, schools, businesses around the State that this program enables them to reduce and stabilize their energy burden and invest those savings back into their community. Whether that's a town that can lower taxes because they could reduce their budget or a small business that can use savings to move away from expensive imported energy and hire more Mainers.

Some examples of who is participating and benefitting now: the towns of Bath and Bucksport; the Caribou utilities district; the Bangor water district; nonprofits such as Good Shepherd Food Bank and Avesta Housing; the Biddeford, Veazie and Acton school districts; BIW; Bangor Savings Bank; IDEXX; Maine Health; Carrabassett Coffee; Wyman's of Maine and most importantly, of course, thousands of Mainers installing solar on their homes or investing in community solar across the State.

LD 1986 provides a meaningful fix to an imperfect program that addresses concerns regarding costs and enables us to move forward in a measured approach that does not hurt Maine's business reputation with retroactive policy changes and continues to foster a cost-competitive clean energy economy that will directly benefit low- and moderate-income customers. Please join me in supporting LD 1986. Thank you, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from North Yarmouth, Representative Graham.

Representative **GRAHAM**: Thank you, Madam Speaker, Ladies and Gentlemen of the House. I rise in strong support of the pending motion. LD 1986 is supporting meaningful reforms to net energy billing policies. It is a compromise legislation that makes meaningful reforms to the net energy billing program to save ratepayers money while ensuring the State can continue to make progress towards clean energy goals. It makes cost reduction improvements to the net energy billing program established by the Legislature in 2019. The program encourages small-scale distributed solar and allows benefits to be shared at the community level. It has been a resounding success while allowing participants; schools, municipalities and small businesses; to lower their electricity rates. LD 1986 furthers these goals by tightening eligibility requirements to ensure ratepayer savings.

See, Madam Speaker, I'm a YIMBY. What does that mean? Yes, in my backyard. I can say that because I have three solar providers in my little town of North Yarmouth: Branch Renewable Energy, run by my friend Chris Byer; Assured Solar, run by friend Rob Taisey, who also runs a stump and grind business; and lastly, ReVision Energy where, although they're located in the Good Representative from Montville's town, Fortunat Mueller lives in my town. He's a friend, he's also a volunteer firefighter. See, Madam Speaker, these individuals are not lobbyists. They are my friends and my community members. Three individuals who are working hard to make a better, more clean environment with solar energy. In fact, we have a wonderful new community center, it's been around for about four years, completely powered by solar energy. So, Madam Speaker, I strongly encourage you and all our colleagues here in this House to support LD 1986.

The SPEAKER: The Chair recognizes the Representative from Winterport, Representative Paul.

Representative **PAUL**: Thank you, Madam Speaker. I rise in opposition to the pending motion. One of the handouts presented earlier was distributed at the request of yours truly, so, I thought right now would be a great time to work through it. So, a typical NEB project offers 10-15% discount off of your bill from CMP or Versant. That's assuming a $600 kilowatt-hour per month per residential customer. That saves about $22 a month on a bill of $150. That's about $264 a year in savings. Fewer than 32,000 of Maine's households will receive the above savings, and that's only about 5.7% of our 559,000 households in the State. NEB will cost every Maine household $275 a year for 20 years. NEB total costs will reach about $221 million a year by 2025 and a total of nearly $5 billion over their 20-year life. And I know there is some discussion over the accuracy of that number but being a Member of the EUT Committee, I've not seen any numbers to the contrary, so, it's easy to, you know, contradict these numbers with information but this is the information the OPA has gone over for a long, long time, and presented to our Committee, having its worth scrutinizing before we vote, not just dismissing this because it goes against the inconvenience of wanting to push solar in the State. We need to legislate based on facts, not emotion.

So, continuing, State Law requires the State of Maine to pay about 50% of that municipal tax exemption back to the municipalities or $50 million per year out of the State General Fund. NEB projects pay no local property taxes, saving them at least $100 million a year. Normal, competitively-bid solar is available at 20% of the cost of NEB. Normal solar has the same societal and environmental benefits as NEB solar. Developer profits from NEB solar are likely to be about $80 million a year or up to $1.5 billion over 20 years. And 87% of the NEB projects registered at the Maine PUC have out-of-State addresses, and see the attached handout that was distributed earlier for the proof of that. And, finally, we hear a lot about NEB solar being called community solar but if you look at the attached papers to this, names of the communities and there's a lot in here that are not going to benefit the State of Maine but Maine taxpayers are paying for them, ratepayers are paying for these. Some notable communities in here are Japan, New Zealand and Germany. So, before we vote on this, I encourage everyone to take a look at this and vote based on the facts the OPA has presented. Thank you, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Rockland, Representative Geiger.

Representative **GEIGER**: Thank you, Madam Speaker. Well, you're hearing quite the conversation among our EUT members, and I'm sorry about that. This is a really complicated topic, so, I'm going to take a stab at it as well.

So, in the before times, in 2019, back before the pandemic, we decided; the EUT Committee looked at a bill to say how do we jump-start solar, how do we get things going to move to renewables given climate change, given Maine's climate goals? A bill was passed that offered commercial solar developers the opportunity to be paid for their generation at the standard offer rate plus. Now, the standard offer is what you pay on your electrical bill. It was a good deal for them but nobody had any idea just how great a deal it was going to be for them. Shortly after, the pandemic hit. Shortly after that, lots of oil companies, shale, marginal gas and oil producers shut down during the pandemic because the economy shut down. When the economy came roaring back, so did gas prices. Along with that, we then had the war in Ukraine and, again, gas prices, oil prices shot up. So, suddenly, what had been a really great rate of return for these solar developers became an outrageous windfall. Now, mind you, this windfall is exactly the same as what our gas producers are getting because the solar companies are being paid the standard rate. The standard rate is based primarily on the cost of gas.

So, what to do? There is no one on the Energy Committee that is sitting there saying this is a great thing, let's keep this going. So, last Session, EUT passed a bill that passed in this House to shut the door. No more contracts. It also included a bunch of new dates for when applications and permits had to be finished. That closed the door on about 70% of those contracts. The question we were dealing with this time, this Session, is; what do we do about the 30% that are scheduled to go forward? Let's be very clear; the current cost Maine ratepayers are paying is not due to these solar developers. They are just beginning to come online. But they are starting to come online and so we can expect them to make this windfall. So, there were two competing bills before EUT. This one, 1986, sponsored by Senator Lawrence, says it's not good government, it's not good for business to say to people who entered in good faith a contract, you know what, we didn't see the future, we were wrong, we're just going to end net energy billing. So, instead, this bill offers some carrots and says if you agree to leave the net energy billing program, we will guarantee you a decent rate of return but it will be a more competitive rate of return. I think many of us in the Committee made it very clear to solar developers that this kind of windfall cannot stand. Again, the door is shut, there are no more contracts, but this is about what to do about 30% that got in through the door and are now looking at windfall profits. We can say that we're not doing enough but this bill will encourage many of those contractors to move out of net energy, they will still get a nice rate of return. If, as we think the new standard offer which CMP sets once a year in January, if it goes down like the price of gas and oil has gone down now, we will see an improvement already in that windfall because, again, what they're being paid for a windfall is based on the standard offer. If the standard offer goes down, the windfall goes down. So, they know that their contract of the next 20 years could go up and down depending on the price of oil or they can move out of that contract and get a guaranteed rate of return, which is generous but nowhere near windfall.

To be clear; this is not about your neighbors who have rooftop solar. They do not get paid for any extra energy they generate. This is not about any future commercial solar, which will be based on much more competitive rates of what it costs them to produce solar, which happily is now way below the price of oil and gas. This is about what do we do with those 30% of contracts that got through the door before we realized what kind of windfall they'd be gaining. This may not go far enough. We have already promised them that if enough of them don't move off of the net energy billing program, we will be back next Session, we will put in more restrictions. However, it seems to me, at least, dishonorable for the State of Maine to say we entered in this contract, we made you this promise and we've changed our mind. I'd like us to be able to get there through carrots. If we can't, there will certainly be sticks. There's a second bill coming before you that is mostly sticks. But what our local solar operators are telling us is so many sticks that we can expect the end of solar in Maine.

Now, the standard offer doesn't improve until we start to see more renewables whose actual cost to produce is way below oil and gas. As long as gas is the predominant way that we make electricity in Maine, we can expect that our ratepayers, those elderly people on fixed incomes, those low-income Mainers, will be subject to incredible volatility in the market with

standard rate offers going up and down wildly depending on what is going on in the world because this is a global market. Or we can keep moving and increasing our renewables so that our rates become much more stable over time and, at the same time, we start to work on climate change.

So, I ask you, let's do 1986. If it isn't enough, we can certainly come back next Session or the emergency Session coming up, you can certainly consider the next bill coming up that also looks to rein in this windfall profit, that is LD 1347, but I would urge you to pass this one. We need solar, we need renewables, we need to get out from under gas which provides 60% of our energy generation and that is extremely and always will be volatile on the world market. Thank you. I urge your support of 1986.

The SPEAKER: The Chair recognizes the Representative from Embden, Representative Dunphy.

Representative **DUNPHY**: Thank you, Madam Speaker. Madam Speaker, LD 1986, in my opinion, is a very weak attempt to correct a massive problem. I was in the House and then in the Governor's Energy Office when we started dealing with net energy billing. We were warned by the Public Utilities Commission, who were pretty heavily roughed-up at the time by Committee Chairs, as the Office of the Public Advocate is today. And it's unjustifiable and it's irrational. The problem of net energy billing is that it impacts every one of our constituents. The wealthy, the poor, the old, the young, anyone who uses electricity is impacted by that to the tune of $220 million a year by 2025.

This bill appears to be a solution and it is a short-term 10% solution but we need much, much more significant legislation to correct this. We screwed it up. Very rarely do we in the Legislature get an opportunity to correct the mistakes that we made. I mean, this is a perfect example of unintended consequences of a very well-intended bill running amok. I saw the handout that came from, I think, Representative Zeigler, the Representative from Montville; maybe? Yeah, thank you. And there's one comment in here that I find very revealing. And it says to reject LD 1347, which is the opposing bill to this, and it says two provisions that are non-starters for our industry. We are not here to represent our industry. We are here to represent our constituents. I come from a relatively poor district that takes me about four to four and a half hours to drive from one end to the other. A significant, massive majority of my constituents do not have solar nor will they ever have solar.

I heard comments mentioned about good faith contracts. These solar developers do not have contracts. These are not hard contracts. And one of the things that they struggle with and which may even be used as a hammer to get them to sign on to some of the programs in this bill is the very fact that any Legislature can come in here since one can't bind another, and change the conditions of how they're selling their power.

So, another comment that I heard about the vulnerability of gas. Gas is vulnerable and it fluctuates but a significant amount of gas is being used because of the unreliability and non-dispatchability and intermittency of solar generation. Now, I heard someone say we have a community center; and I don't know who it was; we have a community center that is 100% solar. And I call nonsense. Because without storage or without being tied to the grid, you don't go in that community center at night, do you? Or in the middle of a snowstorm or if it's raining because if you do, you can't put the lights on, you can't heat it. So, when I hear about this energy independence and; listen, all we're doing is supplying a market for foreign entities to flood us, we're relocating the pollution. We're not cleaning up the air, we're cleaning up our air and then patting ourselves on the back.

So, I think we need to focus on green energy, I have no issue with that. I think solar is part of that solution but to burden our constituents, the people who elect us, the people who send us here to represent them because there are eight or 10 or 12 solar developers in our community, in our State, to me, is a disservice to the rest of the people who put us here and I'm not here to do disservices to my constituents. So, I would suggest that we vote this bill down. I heard comments about another bill and if it's a matter of one or the other, I would look at the bill that potentially is being proposed and I would also suggest that; in fact, the handout that came from Representative Zeigler talks about a potential amendment. I believe there is a bipartisan amendment that we've been waiting for. I haven't seen it yet.

Representative **ROBERTS**: Point of Order.

The SPEAKER: The Member will defer. The Chair recognizes the Representative from South Berwick, Representative Roberts.

Representative **ROBERTS**: Point of Order. The Member is discussing subsequent actions of the Chamber.

On **POINT OF ORDER,** Representative ROBERTS of South Berwick asked the Chair if the remarks of Representative DUNPHY of Embden were germane to the pending question.

The SPEAKER: The Chair would advise the Member to limit his comments to the current motion and item.

The Chair reminded Representative DUNPHY of Embden to stay as close as possible to the pending question.

The SPEAKER: The Chair recognizes the Representative from Embden, Representative Dunphy.

Representative **DUNPHY**: I apologize for mentioning another bill, Madam Speaker. I guess in closing, which I bet you're happy to hear; a friend of mine told me to beware of the naked man who offers you his shirt. And I would suggest if you look at the existing bill that we're going to be voting on, it does not do enough, it's kowtowing to a very few solar developers in Maine. And I happened to look at 400 projects and of those 400 solar projects, I think 34 were Maine companies. So, if we want to support Mainers, let's start with the people who sent us here. Let's get their bills under control, let's get business so that they can become employed, let's create some stability for our constituents and then, let's maybe try to support some of those that provide PAC money. But that's all I have to say and thank you, Madam Speaker.

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

Representative **WARREN**: Madam Speaker, thank you. I rise in opposition to the current motion, and it's uncomfortable to do so because I believe in climate change. In fact, I feel I've worked really hard to be elected to this Body because I believed it was my responsibility to fight for my hometown in the State that I love against the existential fight of our ongoing climate crisis. Further, as a Member of the Energy Committee, I believe that electrification is the urgent solution to the question of transition from fossil fuels. I feel I have to begin with that point because presently, solar energy is being competitively procured at an incredible rate of 4 to 5 cents per kilowatt in the competitive market. That is happening today, for the benefit of all Maine ratepayers. That outstanding rate reduces the cost of the standard offer price, which is the fixed price that the overwhelming majority of Maine people buy their power at. It is set largely by the fossil fuel industry because Maine is still quite dependent on natural gas and oil to heat our homes. But I do not believe it would be a productive or fair argument to make today to say those that oppose this motion do so because they are against solar energy or against a clean energy transition. In fact, our Energy Committee unanimously supported legislation

earlier this Session for competitive procurement of solar energy with a preference for PFAS-contaminated land. It is a bipartisan view that solar energy can be a just and reasonable choice for Maine people.

The reason I rise in opposition of the current motion is because I believe in a just transition on climate change. Maine has one of the highest energy costs in the country and as we question with this bill as to whether to codify the NEB program that exists before us today, our model of which is the most expensive in this country. In 2019, this Legislature passed a bill which created a really great subsidy to expand the net energy billing program. Net energy billing was originally designed to compensate homeowners for rooftop solar panels for their residential energy production and onsite consumption. The Maine Legislature expanded that program in 2019 with the intention to support the adoption of solar energy in our State in line with our important climate goals. Unfortunately, this well-intended expansion opened the door for out-of-State investors to rapidly develop projects across the State to benefit from these lucrative subsidies at the cost of Maine ratepayers. Because, to that point, what we're talking about is not contracts, it is a decision that we made in policy in 2019 to require our ratepayers to pay these costs. That is very different than a contract, Madam Speaker, and I feel very responsible for that choice and think it needs serious reform.

It is Maine ratepayers who are on the hook for an annual increase that would begin in July of $135 million as determined by the Public Utilities Commission for the cost of our solar program through NEB. This $135 million rate increase is just the first wave of anticipated price hikes. As more NEB projects come online, the higher this energy cost burden will be on Maine ratepayers, which we all know will hit the poor and working class the hardest. And this program, without significant reform, will not stop at $135 million. It is, in fact, projected to be an estimated; over $220 million per year by 2025. Meanwhile, for this windfall profit, the Office of the Public Advocate, whose job is to serve the interests of all Maine ratepayers, estimates that only about 15% at that $135 million in NEB costs will be returned to Maine subscribers through discounted energy bills. The rest of that money is flowing out of State to larger solar developers and investors, which is the very definition of regressive economic policy, in my view, respectfully.

We want community and residential solar development by and for Maine residents and there are alternative policy changes we could find bipartisan compromise on which ensures stable fixed rates for small-scale and residential projects that NEB was designed to support. This bill before us now is opposed by the Office of Public Advocate, many Maine energy industry groups, and including an advocacy organization, the AARP, who serves older Mainers in an older State like ours, many of whom are on fixed income and cannot afford the rate of this subsidy we have unintentionally required them to shoulder as a consequence of this program and a policy decision that we made.

The promise of solar is as a low-cost renewable resource. The unintended consequences of this 2019 legislation expanding the NEB subsidy have, in my view, reversed that promise and I am extremely uncomfortable to stand up here and to advocate against this current motion but I do so, even though it is hard, because my fight against climate change and for the people of this State that I love, my fight is not just a transition but a just transition. I cannot fight against climate change at the expense of poor and working people and I believe that this bill and the reform it does not go nearly far enough to address asks us to do that. That is the economic reality for the majority of Maine people today who will shoulder something like, at this point, 24 cents per kilowatt subsidy but will never have the capital to develop their own NEB project or even have the funds to sufficiently make an investment in a solar array. That's my understanding of what this policy is and for all of these reasons, and others, I would respectfully ask beyond this vote that this Body remain open to bipartisan compromise on what is certainly needed reform. Thank you.

The SPEAKER: The Chair recognizes the Representative from Wiscasset, Representative Polewarczyk.

Representative **POLEWARCZYK**: Madam Speaker, we've been listening to an awful lot of information about net energy billing here for the last, I don't know, half an hour or more, and it's a very complex subject. I'm not knowledgeable of the details and neither are most of us. When I look at it, the results in particular, there are a number of organizations that benefit from it, a number of corporations that make significant profit from it, and it does it all at the expense of every one of us here in this Chamber when we pay that electric bill. It's more significantly affecting on all those constituents that deal with a fixed income and struggle to make ends meet. I oppose this motion.

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

Representative **FOSTER**: Thank you, Madam Speaker, Ladies and Gentlemen of the House. First of all, I will not allude to another bill. I was kind of surprised that the Point of Order wasn't made when one of those supporting this bill mentioned another bill and spoke to it. I will try to refrain from doing so. I just wanted to say a few things about some of what was said because I was here when LD 1711 was passed and I was here sitting in Committee when the PUC testified before us when they received the first tranche of bids for NEB solar projects. They rejected those. They said they are too expensive, we cannot accept those bids, we are going to have to put out another RFP. At that time, they were getting competitive bids for solar at between three and four cents a kilowatt-hour. Net energy billing bids coming in were around nine cents to 13 cents a kilowatt-hour. That was too high. They rejected those bids. Later on, they started accepting them and, as has been mentioned, partly because of the standard offer, those kilowatt-hour prices keep going up and are now above 20 cents a kilowatt-hour while the competitive bids are coming in around an average of four cents a kilowatt-hour.

Now, I greatly appreciate the Good Representative from Scarborough, she and I don't always agree on everything that comes before the EUT Committee, but I respect her opinions and I find that there are a few things we do agree on. And in regards to climate change and the need for solar power, I have my thoughts on what would be better generation to combat that but the fact is the more money it costs us for each kilowatt-hour of generation, the less we have to get more of it. I think it's already been mentioned that currently, the folks that we're talking about here that are getting these windfall profits, as was mentioned by someone in support of this bill, there are no contracts. Maine, this Body, the EUT Committee, me proposing another bill, are not ending contracts. The $135 million, the increase for July 1st, that's a real number. It's not imaginary. I didn't hear anything from the other side about what this bill might offer to combat that. But I can tell you we have an Office of the Public Advocate who, since he came out, even back in 2021 in March and said NEB is very complicated, I'm concerned that it's going to cost the ratepayers of Maine too much money to get what we want. The PUC at the time was saying we can get all the competitive bid solar we need to do what we need to do for the State of Maine, we don't need these windfall profit NEB projects. Public Advocate Harwood has been beat up severely

since he's come out against this bill, I'll stick with this bill, because he has come out against this bill because it's still very expensive.

Madam Speaker, I can tell you when 1711 was before us in Committee, the then-Public Advocate sat before us and when I queried him time and time again, knowing that competitive bid solar coming in at four cents a kilowatt-hour was going to meet the needs for carbon reduction and generation, why would he support this huge net energy billing bill? And he continued to say because of the other benefits. And this bill, I have also heard, it's got a lot of other benefits. Madam Speaker, competitive bid solar at four cents a kilowatt average gives us the same benefits except for one thing, and that is rooftop solar, the small community solar projects, maybe someone wants some in their backyard so they can provide their own power if they have the money, the capital, as was mentioned earlier, to invest in that. No one here that is opposed to this bill and maybe supporting an alternative is trying to do away with that. Let me make that clear. Those folks, as a matter of fact, will still receive the same benefit they do now. And, by the way, Madam Speaker, because of legislation that the Committee passed this Session, they will not lose those credits as has been the program in the past, when those credits would lapse after 12 months, those credits are now going to be paid by other ratepayers that don't have rooftop solar and they're going to go into other programs to help low-income and other ratepayers.

So, I will leave us with that, Madam Speaker. This bill doesn't do all that we can. It does continue to provide windfall profits for the bigger solar companies who are putting in the larger projects. They can do the same thing and make money on competitive bidding like others already have and some of them do as well. So, Madam Speaker, I ask that you support my position on this and vote against the pending motion. Thank you.

The SPEAKER: The Chair recognizes the Representative from York, Representative Runte.

Representative **RUNTE**: Thank you, Madam Speaker. I urge your support for LD 1986 for two important reasons. One, the course correction that it makes to net energy billing that we've heard about already, but for another very important reason and that's we need to keep in mind what our energy future looks like. This bill makes important reforms to the current net energy billing program, evolving it from a program that was meant to promote the rapid market adoption of distributed solar generation to one that acknowledges the maturity of that market and moves us closer to pricing that electricity at its true value to the direct benefit of ratepayers. And that pricing is really important and I; you know, we've heard a couple of things today about four cents a kilowatt-hour from large solar facilities. Those are facilities that are functioning like good old-fashioned traditional power plants that feed into the grid and generate power and their value is the commodity value of the kilowatt-hour. But distributed generation, solar power, at the ends of the distribution network have a different value and it's not just the commodity.

The true value of locally-generated electricity; well, let me illustrate it with this concept. We all have used, maybe daily used double-A batteries. Now, when you go buy that battery, you're not just buying the electricity, you're buying its size, its portability, its longevity. That's how you make the decision on what you're willing to pay for that. All those attributes have value and it's all part of what it is that you end up paying for. Locally-generated power has its own set of benefits. It reduces the need to generate and transmit power from elsewhere, it adds greater efficiency due to reduced line losses on the transmission that brings that power to you, it defers powerline installations and substation capital investments, it defers their maintenance. All of these have tangible economic benefits. And then there are the quantifiable environmental benefits that come along with that as well.

So, what LD 1986 does is it sets it on a path to accurately price this electricity by requiring the Public Utilities Commission to consider these benefits and develop a pricing mechanism that reflects its true value. And that process will evolve as the market moves forward. That value is significantly less than the artificial price that is now being applied in net energy billing because it's tied to retail rates that really have nothing to do with the value of the electricity provided. Another feature of this bill is that it encourages continued investment to fuel continued growth in solar. We need more solar power, we need it at the large scale that was referred to earlier and we need it at the distribution level. LD 1986 significantly reduces impacts on ratepayers by changing the compensation method used for future projects and applying multiple off-ramps, which were mentioned earlier, to existing projects to curb costs even further. And we need to be mindful of the fact that any reforms on how local generation is compensated has significant commercial ramifications. Contract or not, we've set up a situation in the State of Maine that is evaluated by outside investors. Retroactive and radical change paints the State as an unreliable place to do business and will deter future financial investments. LD 1986 avoids creating uncertainty for investors regarding project compensation and preserves Maine's appeal as a desirable place to fund solar development. If we're going to achieve any of our climate action goals, this is essential. And, in addition, LD 1986 preserves the possibility for community solar projects, albeit at a smaller scale than what are currently being constructed. So, in my mind, this bill is a well-considered and balanced approach that preserves the progress our State has already made towards a clean energy economy, it avoids hindering distributed solar in Maine, supports community solar projects and encourages future investments. To deviate from this path would jeopardize our progress towards affordable, reliable and decarbonized 21st century grid.

In conclusion, LD 1986, with all its compromises, is the right choice for right now. It's a thoughtful, measured approach, it will not retroactively harm the progress our State has made to advance its economy, it will not end distributed solar in Maine by stopping community solar projects that help the very ratepayers we seek to protect. To do otherwise turns back the clock and would be a complete detour on our path to an affordable, reliable, decarbonized 21st century grid. I urge your support. Thank you.

The SPEAKER: The Chair recognizes the Representative from Gorham, Representative Boyle.

Representative **BOYLE**: Thank you, Madam Speaker. Madam Speaker, there are a few things in the bill that specifically; that has policy; that this bill from the Legislature will direct the Governor's Energy Office and the Public Utilities Commission to do and I haven't heard much said about them so, I want to make sure I get this out here, that it will direct them to seek federal funds that are going to be available across the country for renewable energy development. There's a significant amount, hundreds of millions of dollars available potentially to Maine in that. And so, this bill would direct funds to assist all ratepayers, particularly; not all, but low- and moderate-income ratepayers. It would impose one-megawatt limits as of 2024. Projects larger than that would no longer qualify. So, this and other potential bills do the same thing there. It would direct the PUC to undertake analysis of benefits and

costs, as the Good Representative from York describes. He described some of the benefits and some of the costs. What we do now, we don't look, really, at the benefits, the intangible benefits. This bill would direct the PUC to do that so it's not just cost sort of in isolation. It would direct the PUC to undertake procurement so that if, indeed, current purchase procurements are cheaper for net energy billing solar projects, we can get those cheaper projects. It would also direct the PUC to undertake proceedings to evaluate the net energy billing program and recommend changes to it that we as a Legislature can do as policy. So, it doesn't just send it out there on their own and we're all done. So, I wanted to make sure we got those points out there. Thank you.

Representative TERRY of Gorham **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: 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. 321

YEA - Ankeles, Arford, Bell, Boyle, Brennan, Bridgeo, Cluchey, Collings, Copeland, Craven, Crockett, Dhalac, Dill, Dodge, Doudera, Eaton, Fay, Gattine, Geiger, Gere, Golek, Graham, Gramlich, Hepler, Hobbs, Jauch, Kuhn, Lajoie, Landry, Lee, Lookner, Madigan, Malon, Mastraccio, Mathieson, Matlack, Meyer, Millett R, Milliken, Montell, Moonen, Moriarty, Murphy, Perry A, Perry J, Pluecker, Pringle, Rana, Reckitt, Rielly, Roberts, Roeder, Runte, Russell, Sachs, Salisbury, Sargent, Sayre, Shagoury, Shaw, Sheehan, Skold, Stover, Supica, Terry, Worth, Zager, Zeigler, Madam Speaker.

NAY - Adams, Arata, Ardell, Babin, Bagshaw, Blier, Boyer, Bradstreet, Campbell, Carlow, Carmichael, Cloutier, Collamore, Costain, Crafts, Cray, Cyrway, Davis, Drinkwater, Ducharme, Dunphy, Faulkingham, Foster, Greenwood, Griffin, Guerrette, Haggan, Henderson, Hymes, Jackson, Lanigan, LaRochelle, Lemelin, Lyman, Mason, Millett H, Morris, Ness, Newman, Nutting, O'Connell, O'Neil, Parry, Paul, Perkins, Poirier, Polewarczyk, Pomerleau, Quint, Riseman, Sampson, Schmersal-Burgess, Simmons, Smith, Soboleski, Strout, Swallow, Theriault, Thorne, Walker, Warren, White B, White J, Wood, Woodsome.

ABSENT - Abdi, Albert, Andrews, Fredericks, Galletta, Gifford, Hall, Hasenfus, Javner, Kessler, Lavigne, Libby, Osher, Paulhus, Rudnicki, Underwood, Williams.

Yes, 69; No, 65; Absent, 17; Vacant, 0; Excused, 0.

69 having voted in the affirmative and 65 voted in the negative, with 17 being absent, and accordingly the Majority **Ought to Pass as Amended** Report was **ACCEPTED**.

The Bill was **READ ONCE**. **Committee Amendment "A" (S-421)** was **READ** by the Clerk and **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-421)** in concurrence.

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

Majority Report of the Committee on **JUDICIARY** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-388)** on Bill "An Act to Implement Certain Recommendations of the Commission to Examine Reestablishing Parole"

(S.P. 278) (L.D. 720)

Signed:

Senators:

CARNEY of Cumberland
BAILEY of York
BRAKEY of Androscoggin

Representatives:

MOONEN of Portland
KUHN of Falmouth
LEE of Auburn
MORIARTY of Cumberland
RECKITT of South Portland
SHEEHAN of Biddeford

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

Signed:

Representatives:

ANDREWS of Paris
HAGGAN of Hampden
HENDERSON of Rumford
POIRIER of Skowhegan

Representative DANA of the Passamaquoddy Tribe - of the House - supports the Majority **Ought to Pass as Amended by Committee Amendment "A" (S-388)** Report.

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-388)**.

READ.

On motion of Representative MOONEN of Portland, **TABLED** pending **ACCEPTANCE** of either Report and later today assigned.

Majority Report of the Committee on **TAXATION** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-418)** on Bill "An Act to Change How the Adult Use Cannabis Excise Tax Is Calculated"

(S.P. 559) (L.D. 1392)

Signed:

Senators:

GROHOSKI of Hancock
CHIPMAN of Cumberland

Representatives:

PERRY of Bangor
CROCKETT of Portland
HASENFUS of Readfield
LAVIGNE of Berwick
MATLACK of St. George
QUINT of Hodgdon
RANA of Bangor
RUDNICKI of Fairfield

Minority Report of the same Committee reporting **Ought to Pass as Amended by Committee Amendment "B" (S-419)** on same Bill.

Signed:

Senator:

LIBBY of Cumberland