



CENTRAL MAINE  
POWER

**Testimony in Opposition to LD 1073  
An Act to Lower Energy Costs and Increase Access to  
Solar Energy for Agricultural Businesses  
Committee on Energy, Utilities, and Technology  
April 9, 2015**

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Senator Woodsome, Representative Dion, members of the Committee on Energy, Utilities and Technology, my name is Joel Harrington. I am here today to testify on behalf of Central Maine Power Company in opposition to LD 1073, An Act to Lower Energy Costs and Increase Access to Solar Energy for Agricultural Businesses.

CMP's opposition to LD 1073 is based on the bill's potential impact on CMP and its customers and not on the issue of solar energy or whether it should be promoted in Maine.

**The sponsor of the bill is asking you to do three things:** 1) expand net energy billing to include all sources of generation regardless of whether they are renewable; 2) require transmission and distribution utilities to purchase unused net energy billing credits at wholesale electricity rates; and 3) have the customers of transmission and distribution companies fund a solar rebate program.

Net energy billing is a program that encourages people to install generation at their homes or businesses and use that generation to supply their own needs. If a customer generates more than he or she needs, he can bank the excess for up to 12 months and draw from that excess if he's not generating enough to meet his needs. This is particularly true of solar and wind power, which generate intermittently

Under existing rules the benefit of net energy billing to the owner or owners is that instead of selling the power into the market at wholesale prices, the owner gets the full retail value of each kilowatt hour generated. If a generator generates the exact amount of electricity in a year as he uses, his energy bill and his delivery bill are offset by his generation. He doesn't pay to use the transmission and distribution system to get power, and he doesn't pay to use the transmission and distribution system to sell power. In essence, he's using the system without paying, and the rest of the ratepayers absorb the cost of the system.

In that respect, net energy billing is a subsidy from the general body of customers to customers who install generation.

First, Section 2 of the bill seems to indicate that any customer can engage in net energy billing regardless of what type of generation they are using. This was not the intent of net energy billing when it was established as the Public Utilities Commission has set standards for the types of eligible generation meant only to apply to fuel cells, tidal power, solar arrays, wind power, geothermal, hydroelectric, biomass (wood, landfill gas or anaerobic digestion) or municipal solid waste in conjunction with recycling.

Second, LD 1073 requires transmission and distribution utilities to pay customers for excess generation. Would we be asked to pay just the transmission and distribution portion or somehow reimburse the customer for both energy supply and transmission and distribution and if so, what supply price are we to use and who ultimately pays for the supply portion of the reimbursement, the transmission and distribution utility or the customer's electricity provider? What happens if the provider changes throughout the year, do we go back and ask for money from prior suppliers?

This is contrary to the state's restructuring law which took transmission and distribution utilities out of the generation business.

Customers in the agricultural business can already off-set their excess usage with up to 10 retail accounts. Again, this bill just increases the subsidy and may encourage customers to oversize their generators in order to collect retail prices for a wholesale product. The goal of the net energy billing program is to encourage homeowners to install renewable energy systems that are sized correctly for their needs, and the 12 month limit prevents them from extracting too much subsidy from other ratepayers in order to save themselves some money.

Third, it is not clear why an agricultural business should get more benefits, such as payments and rebates, than any other customer that wants to install solar. A solar rebate under this legislation would add \$468,000 each year to customer electric bills.

I urge the committee to report LD 1073 ought-not-to-pass to avoid having electric customers pay more subsidies for an already heavily-subsidized industry.

Thank you.