

SUPPORT

NRCM Supports: An Act to Protect and Expand Access to Solar Power in Maine

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This bill will increase Maine's energy independence, and help small businesses and Mainers statewide generate their own solar power. It will also create hundreds of new solar installation jobs so that Maine will catch up with other states that are taking advantage of the economic benefits available from the solar industry.

Summary:

This bill will protect solar net metering by establishing clear, strong requirements in law, preventing the Public Utilities Commission (PUC) from weakening or eliminating net metering. It would also re-establish Maine's lapsed solar rebate program that reduces upfront costs for residents and businesses to install solar panels. The rebate program would consist of a \$2 million/year fund focused on small businesses, low- and moderate-income households, and affordable housing. The rebate program would phase out in a predictable way over five years, in line with expected further decreases in the cost of solar systems. The bill makes net metering and the solar rebates accessible for third-party solar financing, which also reduces upfront costs to install solar.

Explanation:

In 2016 the Legislature failed to override Governor LePage's veto of a comprehensive solar policy that had earned overwhelming public support. This action, combined with the PUC's recent decision to roll back net metering in 2018, leaves Maine's solar future in peril. Nationwide, solar is growing as prices drop. While solar installations are booming across the US and throughout the Northeast, Maine lags behind due to our unpredictable "solar coaster." As a result, we're missing out on good jobs that solar can provide, and on reduced electricity bills for all Maine ratepayers. Maine currently has the lowest number of solar jobs in New England, with only one-third as many solar jobs per capita as the rest of the region.

Net metering is a long-standing, effective policy adopted in Maine and across the nation that allows customers to generate and use their own power, while receiving credits on their bill for the extra kilowatt-hours they send to the grid for use by others. In 2016, after failing to analyze its effectiveness, benefits, or costs, the PUC proposed a net metering rollback. The proposal was universally criticized by ratepayer advocates, utilities, solar companies, Mainers from across the state, and the environmental community, but was nonetheless adopted by the PUC in February 2017. This misguided policy will take effect in January 2018 unless the Legislature acts.

Net metering and simple solar rebates have proven to be effective at encouraging solar installations in Maine and elsewhere. However, Maine's rebate program expired several years ago and net metering continues to be undermined by the PUC. While solar systems produce reliable, competitively priced power for decades, they require an upfront investment. Maine's PUC published an analysis in 2015 that showed distributed solar power installations reduce electricity rates for all customers, not just those with solar.

This bill will restore stability to Maine's solar market. It requires the PUC to conduct a proper review of the benefits and costs of net metering if/when distributed solar reaches 5% of Maine's electricity (today it's less than 2%). The solar rebate funds would be allocated as follows:

- 40% for small businesses, towns, and other institutions;
- 20% for low- and moderate- income households, which may be allocated to multifamily affordable housing; and
- 40% for other Mainers—households with income over \$100,000 would be ineligible.