

# SUPPORT

## NRCM Supports : An Act Regarding Large-scale Community Solar Procurement

### Support LD 1444: *An Act Regarding Large-scale Community Solar Procurement*

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This bill would dramatically increase the amount of large-scale community solar installations in Maine, helping make Maine become a leader in this important category of solar development.

#### Summary:

This bill directs the Public Utilities Commission (PUC) to enter into long-term contracts with 120 megawatts (MW) of large-scale community solar over a five-year period. The PUC will use a competitive bidding process to select projects. Projects can be up to 5 MW in size—enough to power 1,000 homes. Shareholders in winning community solar projects would receive a bill credit equal to the output of their share times the fixed rate in their 20-year contract, which could offset all or part of their monthly electricity bill. Community solar participants will be required to sell their Renewable Energy Certificates as part of the contract.

#### Explanation:

Maine is falling behind on solar power generally, and community solar specifically, despite the drop in solar pricing and new models that deliver the benefits of solar to more people. Community solar is a very important way for any consumer to benefit directly from solar, whether they own or rent, or have solar-suitable property. There are only about 10 small community solar farms in Maine because the state has done virtually nothing to encourage them and instead set an arbitrary nine-person limit on the number of people who can share in net-metered solar installations. This limit dramatically hampers economies of scale and hinders the ability of more Mainers to benefit from solar power.

This bill does not change the nine-person limit under net metering (see LD 1373), but instead builds on alternative policy ideas advanced in LD 1649 during the 2016 legislative session for very large-scale community solar installations. Like LD 1649, the bill designates the utilities to serve as Standard Solar Buyers, to contract for the output of community solar farms that result from an annual PUC auction. The Standard Solar Buyer can aggregate and resell that output, passing on any costs or savings to ratepayers generally. The initial auction will be fully competitive and also sets a baseline for required decreases in contract rates in subsequent years.

Community solar participants will receive bill credits each month for their share of the output of the farm. Their bill credits will be in the form of a dollar amount, not a number of kilowatt-hours as under net metering. This is plus for some people because it increases predictability of bill credits and allows customers to offset all charges on their bill if they produce enough energy. On the other hand, their bill credits will not rise over time if electricity rates rise, as they do under net metering.

The legislation allows for very large projects, up to 5 MW. It requires that 50% of the shares in any project belong to small shareholders (i.e., residential or small business-size shares), unless a municipal entity owns 50-70% of the shares. The bill requires that shareholders sell all of the output of their solar share in exchange for credits on their bill. This includes Renewable Energy Certificates (or RECs), which are the only way in which electricity can be distinguished as solar or renewable. In effect, this means that participants will not be using solar power—the buyers of their RECs will rightfully claim that—they are instead producing it. Participants always have the option of buying RECs from some other source if they care about which source their power comes from.