

# SUPPORT

## NRCM Supports LD 1504: An Act Regarding Solar Power for Farms and Businesses

### Support LD 1504: *An Act Regarding Solar Power for Farms and Businesses*

#### Sponsored by:

Sen. Saviello of Franklin

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This bill would establish new policies to increase solar power for businesses and municipalities, with an emphasis on farming and forestry. However it does not go far enough to firmly establish existing policies like net metering.

#### Summary:

This bill directs the Public Utilities Commission (PUC) to enter into long-term contracts with businesses, municipalities, and others that build solar to offset their electricity usage. For large projects up to 2 MW, the PUC would use a competitive bidding process to select 50 MW of projects over five years. Small or medium businesses installing less than 200 KW of solar could opt to receive a fixed rate in lieu of net metering. All participants would receive bill credits for their solar based on a long-term contract. The bill also directs the PUC to undo the recent net metering rule changes, to conduct a meaningful analysis of the benefits and costs of net metering, and craft a new proposal within three years.

#### Explanation:

As prices drop, solar installations are booming across the U.S. and throughout the Northeast. Yet Maine lags behind due to our unpredictable “solar coaster.” Maine is missing out on the hundreds of good jobs that solar can provide, and on reduced electricity bills for all Maine ratepayers, too. Maine currently has the fewest solar jobs in New England on a per capita basis, and has particularly poor policies for commercial-scale solar. Solar technology is an especially important opportunity for Maine’s rural areas because solar energy is equally available statewide and creates local jobs that cannot be exported.

Like LD 1649, developed during the 2016 legislative session, the bill designates the utilities to serve as Standard Solar Buyers, to contract for the output of solar installations. The Standard Solar Buyer can aggregate and resell that output, passing on any costs or savings to ratepayers generally. This bill is narrower, because it focuses on commercial-scale solar, including for small businesses, large businesses, municipalities, and other institutions. The bill sets a modest target of 50 MW for large commercial solar, with a sub-target of 15% for agricultural and forestry businesses.

Participating farms, towns, and others installing solar would receive bill credits based on the output of their solar installation. Bill credit rates for large solar projects would be determined by competitive auctions, and those for small projects would be fixed, based on small-business electricity rates. All bill credits would be in the form of a dollar amount, not a number of kilowatt-hours as under net metering. This is plus for some because it increases predictability of bill credits and would allow 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 bill would prevent the PUC’s extreme rollback of net metering to take effect for now, however not permanently, as it does not establish net metering in statute. **For that reason NRCM more strongly supports LD 1373.** LD 1504 would require the PUC to remove the 10-person limit on community solar projects, and instruct the PUC to analyze net metering and provide new recommendations for net metering and distributed solar by 2020.