

# MAINE ASSOCIATION OF BUILDING EFFICIENCY PROFESSIONALS' COMMITTEE ON RENEWABLE ENERGY



## Maine Public Utilities Commission's Net Metering Roll-Back Threatens Maine's Rural Economy & Further Hampers Maine's Competitiveness

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The Public Utilities Commission's (PUC) decision to rollback net metering rules is extreme, unjustified, and harmful to Maine people and businesses. Continued policy and regulatory uncertainty is crippling Maine's ability to grow a robust solar industry that will actually *lower* everyone's electrical rates. The PUC's vote to adopt a drastic final rule demonstrates that the Legislature needs to act to regain control of Maine's solar policy.

- ✓ Taking action on solar this session could create hundreds of new solar jobs, increase the competitiveness of Maine's small businesses with out-of-state competitors, reduce economic barriers for renters and low income households, and keep Maine's energy dollars in our communities.
- ✗ *Failing* to take action condones the PUC's dangerous decision, further increases the competitive disadvantage of Maine's small businesses, reduces energy choice, undermines grid modernization, and stubbornly denies the people of Maine the opportunity to benefit from the exponential solar job growth seen across the country.

### The new PUC rule:

#### 1) **Jeopardizes the long-standing right to self-generate one's own power.**

The rule phases out a cornerstone framework that was simple. Under net metering, customers are able to own and consume their own power in a fair way that exists across the country. For every kilowatt-hour they put onto the grid when they produce extra, net metering customers get a credit to buy one kilowatt-hour back at other times. The PUC replaced net metering with a complicated new mechanism that is likely illegal, penalizes customers for generating their own electricity, and severely undercuts the ability for Maine's grid to adapt to advances in battery storage.

#### 2) **Exposes ratepayers to new taxes and burdensome, unnecessary costs.**

The rule adds an unprecedented new tax on power generated and consumed on the customer's premises. Customers will be required to pay the utility for a portion of the electricity passing directly from a customer's solar energy system to their appliances without ever touching the grid. It requires new solar customers to install additional equipment to implement this new fee. Additionally, all Maine ratepayers will be forced to pick up the tab for a complex new billing system required of the utilities. This further blocks innovation and cost-saving.

### 3) Threatens millions of dollars of private investment & corresponding jobs.

By discouraging solar, the PUC's new rule creates significant uncertainty that will limit long-term investments and threaten the job gains that other states have experienced from comprehensive solar policies. Potential investment and new jobs would be dispersed across Maine, injecting much needed economic activity in communities that are struggling to create high quality jobs and to adapt to a fast-changing global economy.

### 4) Undercuts efforts to bring solar to Mainers of all income levels.

By failing to lift arbitrary barriers on community solar projects, the PUC rule impedes efforts to make solar accessible for all Maine people. In other states, community solar helps to take out the upfront cost to install solar, thus removing barriers for low- and moderate-income households to reduce their energy costs. The PUC's draft rule would have addressed these limits, but - at the urging of utilities - they were removed in the final rule.

#### The Legislature should set policy, not the PUC

- The rulemaking was unnecessary in the first place and the PUC completely failed to analyze net metering or propose ways to encourage distributed generation.

As the Office of Public Advocate said in testimony, "We were surprised that the *Commission didn't attempt to model any potential ratepayer impact of this proposal*, given their past attention to cost impacts in other forums and the stated goal of reducing subsidies."

- The Legislature has one chance to pass a bill that supersedes the new rule. This harmful PUC rule change will take effect at the end of 2017 if the Legislature fails to act.

#### Additional Background:

Maine currently is in last place in the region for the amount of solar energy and solar jobs per capita. We are missing out on the tremendous opportunity to capture a clean, locally produced energy source that could create hundreds of good new jobs and reduce electricity costs. Last summer, the PUC failed to collect hard data from our smart meter investment and instead decided to initiate an unnecessary rulemaking to undermine net metering on unsubstantiated claims by the utilities. They then relied heavily on input from the utilities and other bureaucrats, ignoring thousands of comments opposing and expressing concerns with their draft proposal:

- Dozens of citizens, organizations and lawmakers urged the PUC to defer to the Legislature.
- Even Central Maine Power said the rule would be "**very complex to implement**"
- The Office of the Public Advocate wrote it had "**significant concerns** with the rule" because it "includes provisions that are **unclear, unworkable, and potentially unlawful**, and thus we **would not support adoption** in its current form."
- More than 4,000 Maine people filed comments or signed petitions in opposition. (Recent public opinion polling shows Maine people **oppose** weakening net metering by more than 2:1.)