

# OPPOSE

## LD 1400, An Act To Focus Energy Laws on Energy Cost

**Sponsor:** Senator WOODSOME of York (Governor's Bill)

**Summary:** The bill would repeal Maine's Renewable Portfolio Standard (RPS), which requires that a certain percentage of our power come from new renewable resources like biomass, wind or tidal. It would repeal net-metering, which provides homes and businesses with a credit on their bill for the energy they produce for their own use, e.g. rooftop solar panels. It would rewrite the laws allowing the Public Utilities Commission to approve long-term contracts to buy clean energy resources. It would eliminate the ability of the PUC to approve contracts for energy efficiency savings, and could limit the ability to purchase renewable energy as well. The bill would require the PUC to select a "distributed generation aggregator" to purchase distributed generation output at wholesale rates.

**Explanation:** This bill takes a wrecking ball to Maine's clean energy laws, which have been developed in a bipartisan fashion over many years to help Maine take greater control of our energy future. Maine and the region remain heavily dependent on fossil fuels—particularly natural gas—for power, which not only damages our climate and clean air, but perpetuates Maine's energy insecurity. The solution is broadly recognized as a combination of significant energy efficiency improvements and a steady shift toward local, sustainable renewable energy for diversity, security and price certainty.

The RPS encourages large-scale renewables, which Maine benefits from through large amounts of low-cost power as well as significant job creation and investment in local (often rural) economies. The cost of the RPS is extremely small, and PUC analysis shows the Maine RPS, with in concert regional RPS's, provides a large net benefit to our economy.

44 states use net-metering as a simple, effective way of compensating homes and businesses for energy they invest in and produce for their own use such as solar arrays, thereby reducing the amount they need to buy from the grid. It has been the foundation upon which thousands of Maine homes and businesses have invested in rooftop solar. Repeal would leave these people high and dry, and would cause Maine to fall even further behind (we are already in last place in the region) in solar investment and job creation.

An easily overlooked provision of this bill would also reduce energy efficiency investments, by prohibiting the PUC from approving utility contracts to buy energy efficiency. Such a contract has recently been used to provide substantial funding (\$4-8 million/year) for Maine's industrial facilities and other large energy consumers to do energy efficiency improvements. Finally, the only new policy in the bill is an "aggregator" which would purchase the output from small solar producers and resell it at market prices. This might compensate solar producers at a rate of 8-12 cents/kwh, compared to the current net-metering rate of 13 cents, and compared to the actual *value* of solar output as determined by the PUC of 18-34 cents/kwh.

The bill would decimate Maine's renewable and energy efficiency laws, leaving Maine more dependent on natural gas, less energy secure, with more pollution and higher energy.

**NRCM OPPOSES LD 1400.**