

# SUPPORT

## NRCM Supports LD 1711: An Act To Promote Solar Energy Projects and Distributed Generation Resources in Maine

### **Support LD 1711: An Act To Promote Solar Energy Projects and Distributed Generation Resources in Maine**

**Sponsored by:** Sen. Dana Dow of Waldoboro

**Co-sponsored by:** Senate President Jackson of Aroostook, Sen. Black of Franklin, Sen. Lawrence of York, Sen. Moore of Washington, Sen. Pouliot of Kennebec, House Speaker Gideon of Freeport, Rep. Corey of Windham, and Rep. Grohoski of Ellsworth

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This bipartisan clean energy bill would establish new policies to increase distributed solar generation across Maine, with an emphasis on reducing barriers for businesses and municipalities, and increasing access for all Mainers through community solar farms.

#### Summary:

This bill uses several approaches to yield more than 400 megawatts of “distributed solar”—power consumed directly by homes, businesses, and other consumers, and connected to the regional electrical grid at the local level:

- Makes net metering more effective and establishes several new mechanisms to credit customers that generate and use solar power.
- Uses competitive markets to achieve the lowest-cost solar and streamlined, predictable approaches to encourage growth of solar markets and jobs.
- Reduces barriers for residential, municipal, and commercial consumers to benefit from solar power, including expanding access for low- and moderate-income households through community solar farms.

#### Explanation:

As prices for solar fall, solar projects are booming across the U.S. and throughout the Northeast. Expanding solar not only benefits individual homeowners or businesses that install solar panels on their property, it also has the potential to lower energy costs for everyone by bringing more clean energy into the regional electric grid.

Unfortunately, Maine is lagging behind because it has not modernized its policies to encourage more solar power. This means we are missing out on the hundreds of good jobs that solar can provide. We are also failing to take advantage of using solar as a way to lower electricity rates for all Maine ratepayers.

This comprehensive solar bill uses policy ideas that are tailored to meet Maine’s energy needs today using solutions from states that have successfully expanded solar. It is based on years of discussion among a wide variety of Maine partners, including municipalities, renewable energy companies, and conservationists.

This bill has four important components that would:

#### **A) Make community solar farms available to all consumers**

- Enable 250 megawatts (MW) of larger-scale community solar farms in less than five years—enough power to serve more than 45,000 households. Community solar farms could serve anyone from the largest industrial business park to the smallest rental apartment or mobile home park.
- Lift the arbitrary nine-person limit on community solar under net metering to give more people the opportunity to benefit from solar energy.

## **B) Boost larger systems for commercial and municipal consumers**

- Enable 125 MW of large-scale solar arrays that could serve a single municipal, commercial, or industrial consumer.
- Set a competitive process for projects up to 5 MW and increase the size limit on net metering projects from 660 kilowatts to 2 MW.

## **C) Encourage small to medium systems for commercial (including municipal) consumers**

- Create a new option for non-residential customers as an alternative to net metering.
- Provide bill credits that are worth less than the retail rate (i.e., less than net metering) but that help customers offset their demand charges.

## **D) Expand options for residential customers, including low to moderate income**

- Reduce barriers for the development of lower-cost, larger-scale community solar farms, both under net metering and a new competitive approach, to provide many new opportunities for all households, including renters, to lower their electricity bills.
- Require 10% of each larger-scale community solar farm to serve low- or moderate income households, potentially through cooperation with entities that serve those households.
- Clarify that customers who enter a lease or power purchase agreement to install solar (neither of which require any upfront payment) may participate in net metering.

Most of the bill's technical language provides guidance for the installation of larger-scale projects, up to 5 MW in size.

- The Public Utilities Commission (PUC) is directed to enter into long-term contracts with businesses, municipalities, community solar shareholders, and others that use solar to offset their electricity usage.
- The PUC would use a competitive bidding process to get the lowest solar prices possible and a streamlined system to award contracts to solar developments at lower and lower prices over time.
- Participating large system owners or community solar shareholders would receive bill credits based on the output of their solar installation.

Part B of the bill instructs the Public Utilities Commission to consider long-term contracts for large amounts of “grid-scale” solar power. NRCM strongly supports the use of long-term contracts to increase renewable development, but prefers the approach in LD 1494.

