

**Testimony Before the
Joint Standing Committee on
Energy, Utilities and Technology**

**L.D. 1711 – An Act To Promote Solar Energy Projects and
Distributed Generation Resources in Maine**

May 16, 2019

Chair Lawrence, Chair Berry, and members of the Committee, my name is Jim Cohen of Verrill Dana, LLP, and I am here today on behalf of Emera Maine to testify *in support of* LD 1711, subject to the comments noted below.

Executive summary. Emera Maine broadly supports the expansion of renewable generation in order to promote beneficial electrification. We also believe that such efforts must be cost-effective in order for electricity to compete against other fuel supplies in the heating and transportation sectors. Turning to LD 1711, we have not been able to evaluate the efficacy and impacts of the specific proposals in the bill given the complexity of the bill and short amount of time available to review it. We would, however, suggest that the Committee seek an analysis of the cost impacts of this bill prior to passage. Overall, the ideal bill would promote new renewable resources at the lowest cost to consumers.

History of support for solar energy bills. Emera Maine participated actively in the development of solar legislation several years ago that was spearheaded by then public advocate Tim Schneider, and we actively supported that legislation. Emera Maine has also supported other bills that promote the cost-effective expansion of solar energy solutions in Maine.

Emera Maine supports beneficial electrification of the heating and transportation sectors. In order for Maine to achieve its ambitious climate goals, Maine's heating and transportation sectors need to transition to fuels that emit fewer greenhouse gases. In the transportation sector, the alternative is electric vehicles. In the heating sector, this would require a shift to electric heat pumps.

Electric rates matter for adoption of beneficial electrification. In order to encourage drivers to move to electric vehicles and building owners to move to electric heat, it is important that the total price of electricity be competitive with other fuel sources.

LD 1711 is complex. Emera Maine has been aware for many months that this bill was being drafted; however, Emera Maine did not see the bill until it was printed, nor did we participate in the development of this bill. We do observe that the bill presents an extremely complicated series of changes to net billing and the competitive procurement of long-term contracts for renewable energy supply. These should be carefully reviewed, with input from the PUC, prior to passage.

Thoughtful procurement mechanism. At a high level, it appears that the drafters of this bill put in much thought regarding the timing and manner of procurement of long-term energy supplies, including efforts to ensure competitive bids. We commend the thoughtfulness of the approach.

Net Energy Billing. The proposal in LD 1711 is consistent with changes we have supported in prior legislation. We would, however, suggest that the threshold for the PUC to consider the impact on customers of net energy billing should be lower than the 8% suggested in the bill.

Standard buyer. We note that the prices suggested in the bill are retail in nature, which is above the wholesale market. We suggest that the Commission instead be able to set prices at a level that is high enough to attract installation of facilities, but not so high that the program is not cost-effective. Overall, the prices should not be higher than necessary to attract such investment.

Long-term contracts. Recent procurement of long-term contracts for solar energy have been favorably priced. A recent procurement of solar energy related to a 100MW project was approximately 3.5 cent/kWh, which is favorable. Given this backdrop, we would urge the Committee to evaluate the extent to which economies of scale favor larger size projects, and if so, whether the particular mix of 125 MW of medium (a/k/a “commercial”) projects and 250 MW of large-scale solar projects represents the most cost-effective approach to procurement.

Cost analysis needed. The complexity and broad scope of LD 1711 creates a larger risk of negative cost impacts on customers. To manage this risk, prior to passing this bill, we hope the Committee is able to review data supporting the particular policies established in LD 1711.

Conclusion. Thank you, and we would be pleased to answer any questions you may have.