

For Immediate Release

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Diverse Group of Maine Businesses and Organizations Petition PUC to Stay the Course on Net Metering

Say PUC Review Should Not Harm Struggling Solar Markets or Disrupt Ongoing Legislative Efforts

Augusta, ME – More than two dozen businesses and other organizations petitioned the Maine Public Utilities Commission (PUC) today, ahead of the agency’s upcoming review of net metering. The group asked the PUC to stay the course on net metering in order to prevent harm to Maine’s struggling solar industry and to allow stakeholders and lawmakers to continue the effort to establish a solar policy for Maine. They also cited the positive effects net metering has had and the evidence of its benefits.

The past legislative session included a comprehensive solar bill which was developed as a compromise among diverse interests. The solar bill was vetoed by Governor LePage and narrowly failed to garner the 2/3 vote needed to override the veto. Many lawmakers—of both parties and among those both for and against the bill—have expressed their intention to reconsider solar policy next session. (See attached quotes from legislators.)

Before that can happen, the PUC will conduct a “review” of Maine’s existing net metering rules and may consider changes. Net metering is the 30-year-old policy that provides bill credits for the unused solar power that residential, commercial, municipal, or other customers provide to the electricity grid. According to rules adopted by the PUC many years ago, their review is triggered when net metering installations are capable of producing 1% of all power generated in Maine on the highest consumption day of the year.

Without net metering, customers would forfeit much of the value of their excess solar production, as solar power production often coincides with peak times, when that power is most valuable to the grid and other ratepayers. Net metering, which exists in most states, is widely regarded as a simple and effective way to make solar an affordable choice for homes, businesses, schools, and others. As the petition states, the preponderance of evidence shows that net-metered solar customers provide a net financial benefit to other ratepayers, a finding that is consistent to the Maine PUC’s own *Value of Solar* study completed last year.

“Our small family-run auto repair business decided to go solar because of our goal of running an environmentally responsible business,” said Tony Giambro, co-owner of the Paris AutoBarn in South Paris. “Going solar allows any business to reduce its environmental impact and achieve a higher level of sustainability, and also to greatly reduce or eliminate its electricity bill. It is well past time for Maine to catch up with our neighboring New England states on solar power, and that starts with the PUC doing the right thing and not altering our current net metering policy. “

“GrandyOats is extremely proud of the investments we’ve made in our growing business, which are not only good for our customers and employees, but strengthen our rural community of Hiram,” said Aaron Anker, Chief Granola Officer with GrandyOats. “Despite Maine’s lackluster solar policy, we went forward because we wanted to produce and consume this local, sustainable energy resource. It is incredibly important that the Maine PUC not disrupt Maine’s already weakened solar market.”

The PUC review and possible changes to net metering rules, especially coming on the heels of a highly politicized legislative effort, have caused major uncertainty that is already harming Maine’s solar market. Nationwide solar markets are growing rapidly and with 20% annual increases in the number of jobs. That is not the story in Maine:

“Growing up on a third-generation dairy farm in Albion, I never expected I’d have a job in solar power just down the road in Liberty,” said Holly Noyes, a financial manager at Revision Energy. “I left the state after college so I could pay off my student loans. But I wanted to be back in Maine to get involved with my family’s farm and be a part of the small communities that make Maine a great state. A good job in solar power made that possible. It would be a terrible mistake to risk those jobs instead of taking steps to triple them so other young people like me can live and work here, too.”

“Dairy farming and dairy processing is an energy-intensive business, and managing our energy costs is important to our bottom line,” said Caitlin Frame, co-owner of The Milkhouse in Monmouth. “Because of this, and our commitment to sustainability, this year we began to explore in earnest the possibility of installing solar to substantially reduce our energy costs and give us a more predictable electricity cost for our business to rely on in the long run. But now we cannot proceed with this project until we know where net metering will stand in the future in the state of Maine.”

“The City of Belfast has chosen to invest in municipal solar projects in order to reduce energy costs and provide long-term financial stability to taxpayers,” said Sadie Lloyd, Assistant Planner with the City of Belfast. “Our systems generate up to 20 percent of the municipal electric bill. We have had experience with how difficult it is to find investors for solar projects in Maine. Net metering is crucial to municipal solar projects. Without net metering, the City of Belfast would not have installed solar. For this reason we urge the PUC to continue the program.”

For several years Maine has been in last place in New England for number of solar jobs per capita and amount of solar installed per capita. That is because Maine lacks a real solar policy, while states across the region are using various approaches to encourage and capture the benefits from solar power. In fact, Maine has placed barriers that make solar harder here than elsewhere, such as a 10-person limit on community solar farms.

“Community solar farms like the one hosted at Morris Farm in Wiscasset provide a way for more people to own and benefit from solar power,” said Les Fossel, the co-President of the Morris Farm and a former Republican state legislator. “In our case it also provides the farm with lease payments that support our mission, which includes reducing food insecurity in the Midcoast. Maine needs to do much, much more to expand the opportunity for solar—for communities, farms, and others. For that to happen, the PUC should keep its regulations in place and the Legislature should do its job and pass a good solar bill as soon as possible.”

“Maine people, businesses, municipalities, and others understand that increasing our use of solar power makes sense,” said Dylan Voorhees, Clean Energy Director with the Natural Resources Council of Maine. “It is a clean, local, sustainable energy resource that we have in abundance. We know distributed solar provides excellent ratepayer benefits, predictability is critical to solar companies and users alike, and legislative action is forthcoming. So it seems sensible for the PUC to conduct a narrow review and stay the course, without changing net metering. We look forward to this proceeding and especially to the important work of finding common legislative solutions for solar in Maine.”

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Joint Petition to the Maine Public Utilities Commission (PUC) Regarding Net Metering - Summary

Since Maine's net metering law took effect 30 years ago, the state's solar energy industry has gradually grown to employ more than 300 people. Yet at a time when the solar industry is expanding rapidly throughout New England, Maine's solar market is in last place in terms of installed capacity and employment. The primary reason Maine lags behind is that we lack an effective solar policy. The Maine Legislature came very close to passing a comprehensive solar bill this year, and legislative leaders in both political parties have indicated that they will revisit the issue next session. Despite strong evidence that distributed solar is a cost-effective resource that provides net financial benefits to all electricity consumers, the Commission's pending review of net energy billing (aka "net metering") adds major new uncertainties and could further harm Maine's solar market and impair prospects for consensus policymaking.

Therefore, the undersigned petitioners respectfully request the following:

- 1. The PUC proceeding should have a narrow scope that reviews but does not change net metering at this time, in order to enable lawmakers and stakeholders to continue to work on a policy framework for solar.**

While we acknowledge the Commission's rules now require a review of net metering, the vast majority of evidence from analyses across the country shows that net metering provides important net benefits to all ratepayers, whether they have solar or not. Distributed solar is increasingly recognized as a cost-effective resource that can provide important system diversity and reliability benefits, in addition to the societal benefits such as better air quality and good jobs. Furthermore, it is clear that Maine lawmakers intend to reconsider solar policy next session. Making regulatory changes at this point could disrupt the effort by a diverse group of stakeholders to continue working together on policy solutions that maximize ratepayer savings while unleashing strong solar job growth. Neither a prolonged review nor considerations of novel approaches for regulating or promoting distributed solar are warranted by the Commission at this time.

- 2. To prevent greater harm from the uncertainty that is *already* disrupting the Maine solar market, the PUC should quickly establish that it will not consider changes that would affect existing net metering customers.**

Uncertainty about net metering is already having a negative impact on prospective solar owners—from individuals to businesses to whole communities—and therefore on solar installers as well. While we presume that the Commission will not seriously entertain changes for existing net metering customers, the Commission should make this clear *from the outset of its review*. Continued or exacerbated uncertainty through the summer and fall construction seasons would further slow solar investment and put existing solar jobs at greater risk.

- 3. The PUC should review both the costs and benefits of net metering, taking into account the full value of solar.**

Even a relatively expeditious review (e.g., one appropriate for a review at 1% of peak load) should include information about all of the costs and benefits of net metering for all ratepayers, both solar customers and non-solar customers. Recent analysis and statements from the Commission to the Legislature suggest the Commission may be inappropriately focused primarily on the costs of net metering from a utility perspective, without considering the full, long-term effect of net metering from a consumer perspective. The review can be streamlined by including relevant studies from Maine (e.g., the Commission's own *Value of Solar* study) and elsewhere in the region and nationally. The PUC should reset the review trigger to a level that better warrants a deeper evaluation of net metering.

Signed:

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