

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals  
(may include minor formatting differences from printed original)



# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

---

Legislative Document

No. 1321

H.P. 856

House of Representatives, March 27, 2025

### **An Act to Reform Net Energy Billing by Establishing Limitations on the Programs' Duration and Compensation**

---

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in cursive script, reading "R B. Hunt".

ROBERT B. HUNT

Clerk

Presented by Representative FOSTER of Dexter.  
Cosponsored by Senator STEWART of Aroostook and  
Representatives: FAULKINGHAM of Winter Harbor, MCINTYRE of Lowell, PAUL of  
Winterport, WADSWORTH of Hiram, Senators: BRADSTREET of Kennebec,  
HARRINGTON of York.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 35-A MRSA §3209-A, sub-§1, ¶C**, as enacted by PL 2019, c. 478, Pt. A,  
3 §3, is amended to read:

4 C. "Net energy billing" means a billing and metering practice under which a customer  
5 is billed on the basis of the difference between the supply charges for the kilowatt-hours  
6 delivered by a transmission and distribution utility to the customer over a billing period  
7 and the credit amount for kilowatt-hours delivered by the customer to the transmission  
8 and distribution utility over the billing period, taking into account accumulated unused  
9 kilowatt-hour credits from the previous billing period.

10 **Sec. 2. 35-A MRSA §3209-A, sub-§1, ¶E** is enacted to read:

11 E. "Renewable energy credit" has the same meaning as in section 3210, subsection 2,  
12 paragraph B-2.

13 **Sec. 3. 35-A MRSA §3209-A, sub-§10** is enacted to read:

14 **10. Applicability to projects of more than 20 kilowatts.** After November 1, 2025,  
15 unless the entity proposing the development of a distributed generation resource is granted  
16 a good-cause exemption due to external delays in accordance with subsection 7 or 9, a  
17 distributed generation resource may not be used for net energy billing under this section if  
18 the nameplate capacity of the distributed generation resource is more than 20 kilowatts.

19 A. Notwithstanding any provision of this section to the contrary, the number of  
20 customers or meters is limited to 10 for a shared financial interest in a distributed  
21 generation resource participating in net energy billing pursuant to this subsection.

22 B. A customer participating in net energy billing pursuant to this subsection may not,  
23 at one time, have a financial interest in more than 5 distributed generation resources  
24 that have net energy billing arrangements.

25 **Sec. 4. 35-A MRSA §3209-A, sub-§11** is enacted to read:

26 **11. Net energy billing termination.** Notwithstanding any provision of law to the  
27 contrary, a person may not participate or, if participating, may no longer participate, in net  
28 energy billing under this section after the earlier of:

29 A. Twenty years from the date a net energy billing agreement between the entity  
30 proposing the development of the distributed generation resource and the transmission  
31 and distribution utility was executed; and

32 B. December 31, 2045.

33 **Sec. 5. 35-A MRSA §3209-A, sub-§12** is enacted to read:

34 **12. Renewable energy credits; sale required.** A project sponsor, owner of a  
35 distributed generation resource or other entity operating a distributed generation resource  
36 with a net energy billing arrangement under this section shall sell any renewable energy  
37 credits generated by the distributed generation resource and may not sell outside of the  
38 State any renewable energy credits generated by the distributed generation resource.

39 **Sec. 6. 35-A MRSA §3209-B, sub-§5, ¶A**, as amended by PL 2021, c. 659, §19,  
40 is further amended to read:

1 A. The tariff rate for a customer participating in net energy billing with a distributed  
2 generation resource described in this paragraph must equal the standard-offer service  
3 supply rate established under section 3212 that is applicable to the customer receiving  
4 the credit plus 75% of the effective transmission and distribution rate for the rate class  
5 that includes the smallest commercial customers of the investor-owned transmission  
6 and distribution utility. The tariff rate under this paragraph applies to net energy billing  
7 with a distributed generation resource:

8 (1) With a nameplate capacity of greater than one megawatt if:

9 (a) The entity developing the distributed generation resource certifies by  
10 affidavit with accompanying documentation to the commission that the entity,  
11 before September 1, 2022, commenced on-site physical work of a significant  
12 nature on the distributed generation resource and the entity has made and will  
13 continue to make continuous on-site construction efforts to advance toward  
14 completion of the distributed generation resource. For the purpose of this  
15 paragraph, continuous on-site construction efforts include, but are not limited  
16 to, in the context of a solar facility, the continuous installation of racks or other  
17 structures to affix photovoltaic panels, collectors or solar cells to a site. The  
18 commission may share information contained in the affidavit submitted in  
19 accordance with this paragraph with a transmission and distribution utility, as  
20 necessary, to verify a distributed generation resource's compliance with this  
21 section. In administering this subsection, the commission may adopt rules  
22 including, but not limited to, requiring the entity that submits a sworn affidavit  
23 under this subparagraph to provide updated documentation to the commission  
24 after submission of the affidavit; or

25 (b) The distributed generation resource is collocated with a net energy billing  
26 customer that is or net energy billing customers that are subscribed to at least  
27 50% of the facility's output; or

28 (2) With a nameplate capacity of one megawatt or less.

29 **Sec. 7. 35-A MRSA §3209-B, sub-§5, ¶A-1**, as enacted by PL 2021, c. 659, §19,  
30 is amended to read:

31 A-1. The tariff rate for a customer participating in net energy billing under this section  
32 with a distributed generation resource not governed by paragraph A must: equal the  
33 standard-offer service supply rate established pursuant to section 3212 that was  
34 applicable to the rate class of the customer receiving the credit on December 31, 2020.

35 ~~(1) In 2022, equal the standard-offer service rate established pursuant to section~~  
36 ~~3212 that was applicable to the rate class of the customer receiving the credit on~~  
37 ~~December 31, 2020 plus 75% of the effective transmission and distribution rate~~  
38 ~~that was in effect on December 31, 2020 for the rate class that includes the smallest~~  
39 ~~commercial customers of the investor-owned transmission and distribution utility;~~  
40 ~~and~~

41 ~~(2) Increase by 2.25% on January 1st of each subsequent year, beginning January~~  
42 ~~1, 2023.~~

43 **Sec. 8. 35-A MRSA §3209-B, sub-§9** is enacted to read:

**9. Net energy billing termination.** Notwithstanding any provision of law to the contrary, a person may not participate or, if participating, may no longer participate, in net energy billing under this section after the earlier of:

A. Twenty years from the date a net energy billing agreement between the entity proposing the development of the distributed generation resource and the transmission and distribution utility was executed; and

B. December 31, 2045.

**Sec. 9. 35-A MRS §3209-B, sub-§10 is enacted to read:**

**10. Renewable energy credits; sale required.** An owner or operator of a distributed generation resource with a net energy billing arrangement under this section shall sell any renewable energy credits generated by the distributed generation resource and may not sell outside of the State any renewable energy credits generated by the distributed generation resource.

## SUMMARY

This bill does the following.

1. It amends the law governing the kilowatt-hour credit net energy billing program to provide that, unless a distributed generation resource has met the timing requirements established for participation in the program, only distributed generation resources with a nameplate capacity of 20 kilowatts or less may be used for net energy billing. For distributed generation resources participating pursuant to this provision, the number of shared financial interest customers or meters is limited to 10 and a customer may not, at one time, have a financial interest in more than 5 distributed generation resources that have net energy billing arrangements. The bill also provides that kilowatt-hour credits may be credited only to a customer's electricity supply charges.

2. It amends the law governing the tariff rate net energy billing program to limit the tariff rate to the supply rate of the standard-offer service rate.

3. It amends the laws governing the tariff rate and kilowatt-hour credit net energy billing programs to prohibit participation 20 years from the date a net energy billing agreement between the entity proposing the development of the distributed generation resource and the transmission and distribution utility was executed or on December 31, 2045, whichever occurs earlier. The bill also requires a distributed generation resource participating in net energy billing programs to sell in the State renewable energy credits generated by the resource.