

April 9, 2015

Senator Woodsome, Representative Dion and members of the Energy, Utilities and Technology Committee:

My name is Jon Olson. I am the Executive Secretary of Maine Farm Bureau, the state's largest general farm organization.

Maine Farm Bureau favors LD 1073 – An Act To Lower Energy Costs and Increase Access to Solar Energy for Agricultural Businesses.

There have been numerous studies done comparing input cost of Maine farmers with other farmers across the United States. Generally, there are three costs that are more expensive for Maine farmers. These are property taxes, grain for livestock farmers and energy.

The Maine legislature has helped with property taxes by enacting the Farm and Open Space Tax Law. This program allows the farm to be taxed a current use, that is the farming value, rather than the highest and best use, which is the development value. Maine's climate makes it hard for our farmers to grow enough grain to feed livestock. But thanks to research done by the University of Maine Experiment State and the Maine Cooperative Extension new grains are being develop with a shorter growing season.

That issue of the high energy cost remains a stumbling block in not keeping Maine farms as viable as they could be. The enactment of this bill will help. LD 1073 will establish the Solar Energy Agricultural Rebate Fund for solar photovoltaic and solar thermal technologies for agricultural businesses. Some of our farmers use these technologies and others are investigating the feasibility for their farms. It also provides that a farmer that is a customer of an investor-owned transmission and distribution utility must be compensated for accumulated unused kilowatt-hour credits every 12 months. Finally it will authorize customers of transmission and distribution utilities to elect to be billed using net energy billing.

We feel the enactment of this bill will be good policy helping Maine's dairy farmers to reduce their energy costs.

Thank you for your attention to the above. I'll be happy to answer any questions you may have.