REVISION ENERGY

April 13, 2023
Senator Mark Lawrence, Chair
Representative Stanley Paige Zeigler, Chair
Committee on Energy, Utilities, and Technology
100 State House Station
Augusta, Maine 04333

Re: Testimony on LD 952, "A Resolve to Create a 21st Century Electric Grid"

Senator Lawrence, Representative Zeigler, and members of the Energy, Utilities, and Technology Committee:

Founded right here in Maine twenty years ago, ReVision Energy is a local, employee owned, certified B Corporation with over 385 employees across our five branches in New England, with 220 staff in Maine at our Montville and South Portland locations. Our mission is to lead our community in solving the environmental problems caused by fossil fuels while alleviating social injustice to ensure New England is a thriving place where our children, grandchildren, and future generations can enjoy a clean environment and just society. In 2022 alone, we installed 10,000 kilowatts of residential solar and nearly 24 megawatts of commercial solar across the region, eliminating over 950,000,000 pounds of future CO2 emissions.

We believe that modernizing our electric grid is an absolutely critical component of achieving our state's statutory renewable portfolio standard of achieving 80% of clean electricity by 2030. That modernization will certainly include infrastructure upgrades, but it also requires modernizing grid planning and operation and for these reasons, we are here today in support of LD 952.

Fortunately, there is broad agreement from all parties that Maine must advance its grid planning efforts. In 2020, the Maine Climate Council's Maine Won't Wait Climate Plan identified the importance of power sector transformation within its strategy to reduce carbon emissions through clean energy innovation. In 2021, the Maine Utility/Regulatory Reform and Decarbonization Initiative Stakeholder Group's top recommendation was the need for a holistic grid planning process, agreeing that while utilities play a critical role, they should not lead a planning process, and noted that Maine should both act urgently and take advantage of innovation, with some members supporting the development and leadership of a new independent entity. Last session, LD 1959 started both utility and PUC grid planning processes, while LD 936 kicked off the DG 2.0 Stakeholder group, with both bills noting the importance of comprehensive grid planning. All this to say, it's clear leaders across Maine's energy sector and on this committee agree in the need to address the future of our grid. We believe that LD 952 represents an important first step in that direction.

In particular, we see significant value and opportunity in the creation of an independent grid planning function that is transparent, equitable and accessible to replace the opaque, utility and special interest controlled process we have today. As this committee understands, one consequence of our existing regulatory system is that the investor-owned monopoly utilities have a built-in bias towards capital investment, because that is the basis upon which their shareholders can earn a healthy return on investment. But as Maine has learned through its experience with non wires alternatives and Efficiency Maine-led load shifting and demand response programs—in the 21st century, not all distribution challenges are most cost effectively solved through capital investment alone. An independent and transparent grid planning function

led by a Distribution System Operator (DSO) would allow for more effective and equitable consideration of the whole range of solutions, which ultimately will result in lower costs for ratepayers.

In addition to solving for the structural information and resource asymmetry which hinders the current utility planning process, a DSO led utility planning process provides an opportunity to modernize the planning function and to align those plans with state and regional energy goals. Utility led capital investment planning is nearly entirely backwards looking, simply projecting forward the trends of the last handful of years to anticipate future needs. Given the rate of change and evolution we require in our energy systems over the next several decades, that model is wholly insufficient. Without modernizing the planning process, our grid will continue to be the bottleneck to deploying clean energy and beneficial electrification solutions and will ultimately prevent us from achieving our state's energy portfolio goals. Maine needs—and deserves-- something more.

Fortunately, we believe this bill provides a sound and reasonable approach to deepening our state's technical expertise in grid planning by bringing on a consultant and providing time bound reports to the Governor's Energy Office and this committee, allowing key parties the opportunity to digest recommendations and adopt solutions that will work best for us here in Maine.

A DSO is a model that can transform our electric grid to address the needs we have to power our society today—and into the future. A DSO—think: an ISO for distribution—would ultimately oversee integrated system planning for all electric grids in Maine (and any interconnecting systems) to optimize efficiency and reliability. Essentially, this would separate distribution and transmission, creating an entity that can manage and coordinate the electric system at a more granular level, which allows for more effective coordination of distributed generation and demand response.

A DSO operates holistically, creating financial incentives to reshape demand on the system: sending economic signals to both generators and consumers and honing in on everything from generation to time of use rates to evaluating opportunities behind the meter. A DSO can maximize integration of distributed energy resources to help Maine proactively address and take advantage of all sources coming down the pike, from offshore wind procurements to small modular nuclear. The entity and its management can ultimately help all ratepayers through demand response management, efficiency, increasing competition, and combatting higher pricing.

Ultimately, this structure is beneficial to utilities as it helps maintain reliability (something Maine has been worst in the nation at for years) and ensure resiliency in the face of a rapidly changing environment (these winter storms aren't stopping anytime soon), but even more, it can showcase smart investment opportunities with viable ROI, too.

Finally, we believe an independent operator model would be effective at bringing current functions that are currently executed by multiple entities (i.e. utilities managing poles and wires, Efficiency Maine managing DERs, and the Office of the Public Advocate managing non wires alternatives) under one roof to allow for coordination, efficiency, and development of expertise.

Knowing we all agree that forward-thinking grid planning is part of the solution—let's act in a forward-thinking manner and bring in the resources we need to get us there. We believe the fiscal allocation is a small price to pay for expertise that could save Mainers money through grid

efficiency and market expansion for decades to come. This legislation is a thoughtful, incremental approach to moving Maine's grid forward.

Thank you for your consideration of our perspective. We welcome further discussion, and we are available to address any questions you may have.

Sincerely,

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