Maine State Legislature

Joint Technical Committee on Energy, Utilities, and Technology

LD 1358: An Act to Reduce Electric Rates by Removing Limitations on the Ownership of Generation by an Affiliate of an Investor-Owned Transmission and Distribution Utility; and

LD 1592: An Act to Reduce Energy Costs by Permitting the Ownership of Generation by Investor-Owned Transmission and Distribution Utilities

In-person oral testimony given April 16, 2025.

Written testimony filed April 22, 2025.

Madam Chair – Representative Sachs, Senator Lawrence, and Members of the Joint Standing Committee on Energy, Utility, and Technology,

I am Peter Fitzgerald, PE*, Director of Northeast Interconnections at INS Engineering, and I am testifying **in opposition to both LD 1358 and LD 1592**. (*PE means professional engineer)

I grew up and currently live in Bucksport, ME; earned an associates at EMCC in Bangor; and completed my bachelor's in Electrical Engineering Technology at U-Maine Orono. For over 8 years, I designed protection and control systems for electrical substations with a focus on brownfields, because they had more unique challenges than new builds. After that I focused on generator grid interconnections and system planning for over 5 years. I worked primarily on projects in Maine and secondarily in other New England states.

At this time, I volunteer in the following roles. Please note that I am not speaking on behalf of these organizations.

- Board of Directors of the Maine Society of Professional Engineers (MSPE).
- Serve on the Resilience Committee for the Town of Bucksport.
- Coach/teach the RSU 25 (Bucksport) Middle School robotics program.
- Work with the DOE-backed GridWise Architectural Council (GWAC)
- Key contributor in a small GWAC working group writing a whitepaper on ways for states to make their grid planning more efficient. Most whitepapers don't contain information that is actionable in the immediate or short term, because they are either high-level or deeply technical. When our paper is completed later this year, it will provide specific, (relatively) simple, technical solutions that can be

implemented in small steps. Our highest priority is that our paper is useful and not overwhelming to those we are trying to help.

There are no “easy” or “safe” paths forward in electrical system planning today. If something feels comfortable, we need to take a step back and figure out what we are missing. Questions should be asked about all options, including the status quo. The choices we make in the weeks ahead of us will shape the future. Do you understand how?

It has been said that there is and would continue to be a separation between IOU’s and their “parent” and “sister” companies. Yet when IOU’s submit filings, they routinely include their parent company as a supporter. It can’t be both ways. They are either involved or they aren’t.

One of the Maine IOU’s is under PUC investigation for its management practices. A concern has been raised that their “parent” company may not be meeting their obligations of oversight and accountability.

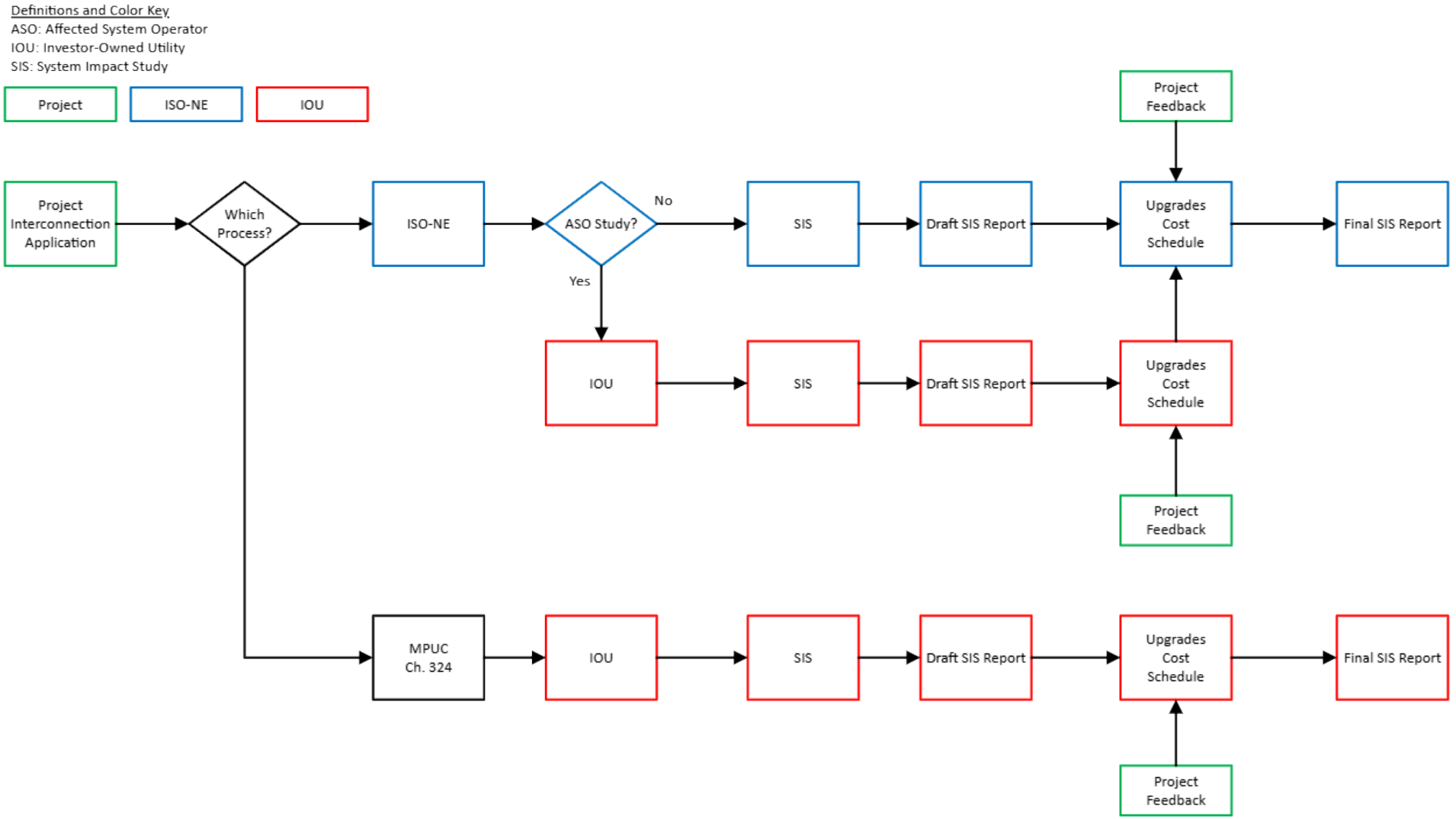
I have *personally* sat in a room with a Maine IOU and a representative from their parent company on *multiple* occasions. The “parent” company was directly involved in the direction of the IOU, including in their technical standards. It would be naïve to assume that the “parent” company is only involved in one subsidiary, and the other subsidiaries or “sister” companies are independent.

I have been involved in a dozens of renewable energy interconnections in Maine including onshore wind, solar, offshore wind, batteries, hydro, and hybrid systems using two or more sources. I agree that we need to reduce obstacles in the interconnection process. IOU’s have struggled to keep up with the generation interconnection requests, complete the studies on time, and present reports that are in compliance with the rules. They need to focus on their existing responsibilities, not add more to it.

The sponsor of this bill, “An Act to Reduce Electric Rates/Energy Costs…”, stated that they “stand on behalf of Mainers”. With all due respect, I must disagree. I do not claim to speak for everyone, but I will say that the general atmosphere I have heard is not happiness with the IOU’s.

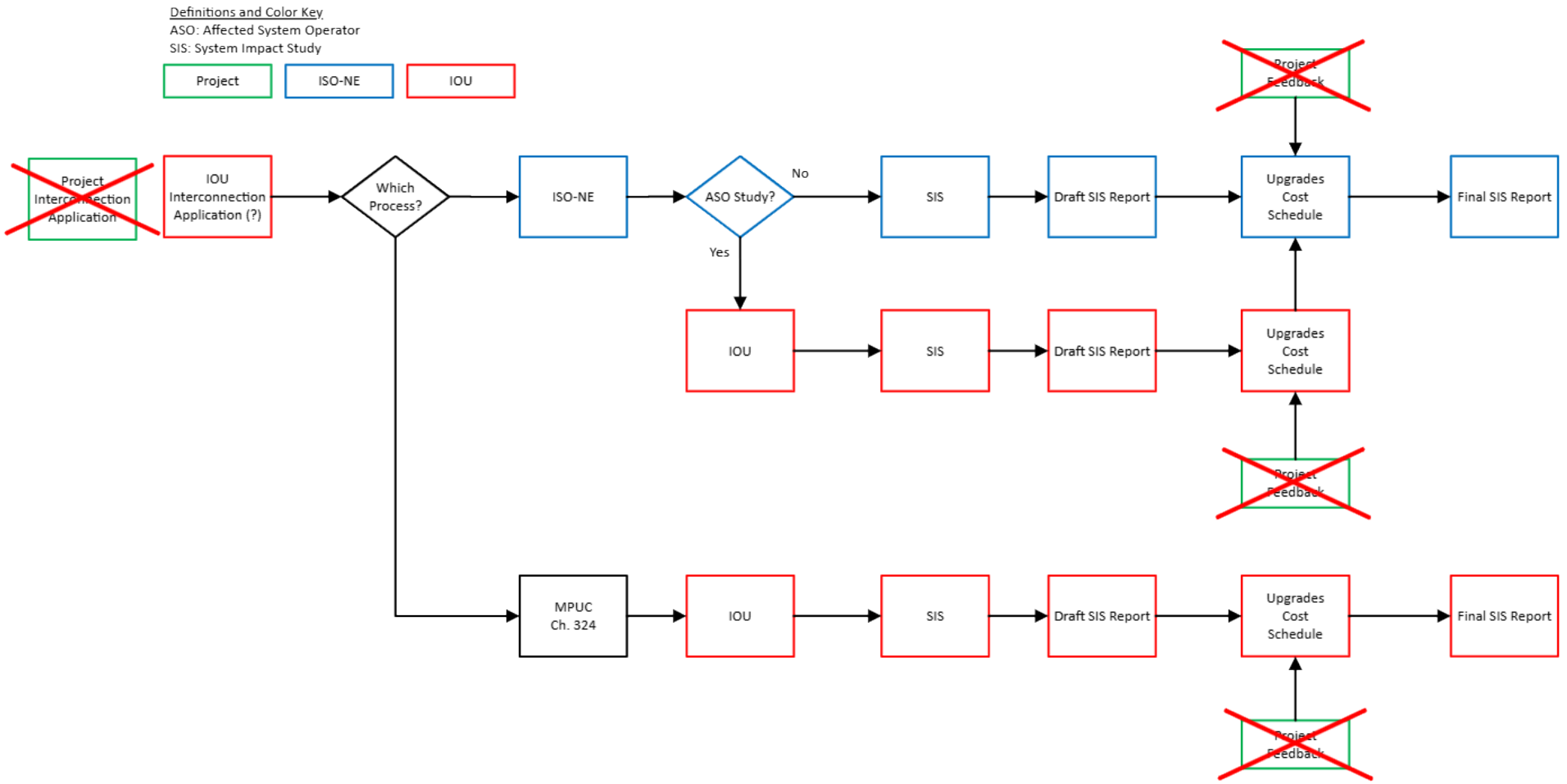
It is concerning that IOU’s often describe projects that increase their profit as “Reliability Projects” and other projects as “Cost Shifts”. The entire system is built around cost-shifts and reliability, but the words chosen to describe it have a big impact on the public reaction.

Simplified Flowchart of the Interconnection Study Process



Projects developers want to keep their costs down. Each chance to provide Project Feedback is taken seriously. The Draft SIS Reports are reviewed in detail to ensure that the most efficient interconnection path is taken. I have provided feedback that cut tens of millions of dollars out of the interconnection requirements in the Draft SIS Report, because they were not necessary.

Potential Changes as a Result of the Bill Proposed



Investor-Owned Utilities have little-to-no incentive to keep their costs down. When profits are calculated as a percentage of the total capital expenditures, reducing project costs cuts into profits. Outside feedback can be ignored without giving a reason, because they are assumed to be acting “in good faith”, unless proved otherwise with supporting evidence. The initial assumption of good conduct removes the burden of proof from the IOU.

One of the questions asked in the Public Hearing was related to the PUC oversight of the IOU's. The PUC must follow the rules that are in place, and that has placed the burden of proof on them to discover evidence of misconduct. If this is done for generator interconnections as well, IOU's will not have to prove that they are acting in "good faith".