

Maine State Legislature

Joint Technical Committee on Energy, Utilities, and Technology

LD 1777 Amendment (Title is a work in progress)

Written testimony/comments filed May 20, 2025.

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 **Neither For Nor Against LD 1777**. Whether I support this bill, depends on the direction it goes.

Sec. 4. Changes to §3209-B, sub-§5-B

- “After June 1, 2026, a distributed generation resource subject to the requirements of this subsection may not participate in net energy billing unless the commission has approved the replacement net energy billing agreement executed by the resource and a transmission and distribution utility.”
- The IOU’s have repeatedly caused delays in interconnection projects. I am concerned that they will not participate in a manner that allows projects to achieve a signed agreement, unless they are given specific direction. As it is right now, the project developer and the IOU customers served by the project, could experience a gap in NEB credits if the new agreement is not signed by June 1, 2026. To give time to work through disagreements in terms, I suggest adding the following requirement (I chose the same date as in Section 8.)
- ***“C. Be published for stakeholder comment by January 15, 2026.”***

Sec. 5. Changes to §3209-F, sub-§2-B

- “B. The commission may initiate additional competitive solicitations in its sole discretion.”
- As it relates to LD 1270 DOER conversations, a change similar to this should be considered:
 - “B. The commission may initiate additional competitive solicitations **in coordination with the Governor’s Energy Office (or its successor).**”

Sec. 6. Changes to §3214, sub-§2-B

- “2-B. Low-income customer; billing limitation. Notwithstanding any provision of law to the contrary, after June 30, 2026, a customer receiving low-income assistance in accordance with subsection 2, any charges associated with net energy billing under sections 3209-A and 3209-B may not be included in the customer’s bill for electricity.”
- This isn’t really a solution, as it simply shifts costs to other ratepayers. Is the intent that this would be done only for existing NEB? For future NEB programs, it would not be necessary, because NEB would only be approved by the PUC if it was beneficial to ratepayers. Similar to other ratepayers, low-income customers will be receiving other social, environmental, etc. benefits.

Sec. 7. Net energy billing; consumer protections.

- “2. Prohibit project sponsors or operators of distributed generation resources from retaining customer payment for unused kilowatt-hour credits that have expired.”
 - Is this still expected to be an issue with the changes proposed in the preceding paragraph?
 - It could leave a project sponsor open to costs caused by customer neglect. There may be a better way to balance this aspect of customer protection.
 - I appreciate that this includes a change in calculation method, when beneficial electrification (e.g. heat pumps, car charger, etc.) is expected to increase loads. We need to make sure this is kept in the final version.

Recommended additional to Section 7:

3. Utilities shall be prohibited from including NEB costs in their rate recovery requests, until they have satisfied the following criteria:

- *Completed a comprehensive NEB cost-benefit analysis (CBA) for the specified period.*
- *Included detailed descriptions of the methods used for the CBA.*
- *The CBA has been reviewed by the OPA and GEO (or its successor).*
- *A timely notification of the CBA completion has been provided to all:*
 - *Generation project sponsors and operators of generators in Maine.*
 - *Licensed Professional Engineers in Maine.*

- *Other key stakeholders as determined by the PUC or GEO (or its successor).*
- *If requested by the PUC, OPA, or GEO (or its successor) the utility must hold a public meeting to receive stakeholder feedback on their CBA. Sufficient notice must be provided in advance of the meeting.*
- *The CBA has been approved by the PUC.*
- *Utilities shall not be assumed to be industry experts on CBA calculations. Assumptions of expertise in any area are not in the best interest of the public.*

Summary:

- The numbering in the bill summary should be updated for clarity. Summary description 2 describes both Sections 2 and 3 of the bill. This makes it hard to compare the summaries to the sections.

Other Comments related to LD 1777:

- We need to balance the need to reduce ratepayer costs with the need to maintain an attractive environment for future development in our state.
- Iberdrola/CMP recently supported a bill, claiming that they should be able to “compete” with developers in the generation market, and that it would reduce rates. They have already shown (and stated publicly) that they have no incentives to reduce the costs of generator interconnections. This would give them incentives to increase the cost of the interconnections of other developers.
 - Iberdrola/CMP is already competing with generators in the state, through their NECEC project.
 - This massive project was funded by Iberdrola/CMP to make money by selling energy to loads in MA. It was never intended to benefit Maine.
 - The “benefits” to the Maine economy are small compared to the revenue that Iberdrola/CMP will make – using the grid that Maine and New England have built.
- The NECEC is also directly related to the discussion on retroactive changes to laws and contracts.
 - Retroactive legislative changes that would have impacted the NECEC were ruled not-enforceable by the courts. Will these changes be different in some way, or will they face the same legal challenge?

- If, somehow, we are going to make retroactive changes to NEB, due to the potentially adverse impacts on ratepayers, the NECEC impacts should be evaluated as well.
- The NECEC will affect the outcome of many system studies in Maine, such as:
 - Large ISO-NE projects.
 - Aggregations of small DG projects.
 - System studies for load increases.
 - For example, where the NECEC has pushed transmission lines to be fully loaded, but not overloaded, the NECEC did not have to fund an upgrade. However, future studies (listed above) could push the line loading beyond the limits. In some cases, these overloads on the 115kV or 34.5kV lines would not occur without the NECEC.
 - The NECEC project could have a significant negative impact on Maine's ratepayers and its overall economy. We don't know what that impact will be, because it hasn't been studied.
 - If we are going to retroactively change the rules for 1-5 MW projects, we can't ignore a 1200 MW project.
- The topic of the NECEC also relates to other ongoing discussions.
 - If Maine is going to require REC's to be retired, for a resource to advertise as "clean" or "renewable", this should also apply to projects that are using our grid to serve other loads.
 - Is this a violation of interstate commerce laws? I don't think so; it is treating interstate commerce the same as in-state commerce.