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TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

**Resolve, To Create a 21st-Century Electric Grid
L.D. 952**

**GOVERNOR'S ENERGY OFFICE
April 13, 2023**

Senator Lawrence, Representative Zeigler, and Members of the Joint Standing Committee on Energy, Utilities and Technology (EUT): My name is Caroline Colan, and I am the Legislative Liaison for the Governor's Energy Office (GEO).

The GEO testifies neither for nor against L.D. 952.

Thank you, Representative Runte, for putting forward this bill and providing the opportunity to comment. Management of a modern distribution grid, including the concept of a distribution system operator (DSO), is an important topic for discussion.

To meet Maine's greenhouse gas emissions reduction targets, large portions of the energy used in our economy will need to be converted from higher emitting sources, like fossil fuels, to electricity — a transition referred to as "beneficial electrification" — and this electricity must increasingly come from cleaner generation sources. At the same time, new electrified technologies available to consumers are increasingly sophisticated, not only offering consumers benefits like increased comfort in their homes, but also opportunities to manage energy use in new and important ways. Effective preparation for increased electricity usage will necessitate increased energy-efficiency efforts, thoughtful management of energy uses, modernization of the electricity grid, enhanced grid management systems, greater use of markets and aggregation, and prudent statutory and regulatory policies to ensure that Maine's power sector evolves efficiently and affordably. These elements reflect a fundamental transformation of the electricity sector that is now underway nationally, and if done thoughtfully, will make it possible to accelerate the decarbonization of our economy while benefiting customers.

The increasing use of new technologies like electric vehicles in tandem with distributed energy resources will mean we need a system that allows for greater visibility regarding customer demand in real-time and the increasing ability to predict and proactively address customer needs. There are several technological, market, and regulatory devices that should be explored to help us shape load and electricity usage going forward, and it's the GEO's understanding that the study directed by this resolve aims to investigate these devices and how they might shape the transformation of Maine's electricity system.

The GEO anticipates the results of such a study could provide new insights and information to the state, particularly regarding design considerations for the optimization of grid operations, new cost recovery mechanisms for system upgrades, and ways to ensure we meet state policy goals. We would like to highlight that there are several ongoing initiatives that may touch on some of the questions posed by this resolve, including:

- An integrated grid planning process and stakeholder group convened by the Commission pursuant to P.L. 2022, chapter 702. At the conclusion of this stakeholder proceeding, Versant Power and Central Maine Power will each be required to submit a plan that addresses stakeholder priorities with respect to several complementary topics including planning scenarios that consider a high penetration of distributed energy resources and end-use electrification, forecasts of projected load and baseline energy supply data, an analysis of available and emerging technologies necessary to enable load management and flexibility, and the identification of cost-effective grid investments and operations needed to achieve stakeholder priorities, among other requirements.
- Efficiency Maine's Triennial Plan V describes several potentially overlapping and adjacent efforts including a Demand Management Program that seeks to increase the efficiency of energy use in Maine by deploying measures and strategies that mitigate the impacts of peak demand on electricity utility transmission and distribution systems and balance the increased penetration of intermittent renewables on the grid.
- The Office of the Public Advocate houses the Non-wires Alternative (NWA) Coordinator established by the Legislature in 2019. In collaboration with Efficiency Maine, the NWA Coordinator evaluates the benefits and costs of developing and delivering customer-sited NWA alternatives such as grid modernization technologies, energy efficiency, demand response, distributed generation, and storage. If alternatives are found to be more cost-effective than a traditional T&D upgrade, the law directs that they be deployed.

The GEO would recommend additional consideration of how these ongoing efforts may be able to address some of the objectives laid out by the bill, as well as how these efforts might be better coordinated as to inform each other. The GEO also has some concerns with the bill as drafted, including the breadth of the scope, internal staff capacity, and the current appropriation, which is likely too low. We look forward to working with the sponsor and Committee to address these concerns should this bill move forward.

Again, the GEO would like to highlight the importance of the concepts that this bill puts forward, but also urges consideration of already existing efforts underway that touch on similar areas. The transformation of our electricity system, which is underway today, necessitates genuine engagement with the way our electric system is planned, operated, and regulated. We look forward to being part of these discussions wherever they take place.

Thank you for your consideration.



Caroline Colan, Legislative Liaison
Governor's Energy Office