



State of Maine
Office of the Public Advocate
112 State House Station, Augusta, Maine 04333-0112
(207) 624-3687 (voice) 711 (TTY)
www.maine.gov/meopa

Janet T. Mills
GOVERNOR

William S. Harwood
PUBLIC ADVOCATE

**Testimony Neither for nor Against
LD 952, "Resolve, To Create a 21st-Century Electric Grid"**
April 13, 2023

Senator Lawrence, Representative Zeigler and distinguished members of the Joint Standing Committee on Energy, Utilities, and Technology,

My name is William Harwood and I am the Public Advocate, here today to testify neither for nor against LD 952 as amended, "Resolve, To Create a 21st-Century Electric Grid."

The OPA has no objection to further study and analysis of the distribution grid but wants to express some high-level concerns about the proposal to create one or more Distributed System Operators (DSOs) that I hope will be addressed before we go too far down this road.

First, there is a risk of uneconomic duplication. At a time when electricity prices have increased dramatically, we need to be careful about imposing additional costs on to ratepayers. Currently, electricity consumers are supporting the Federal Energy Regulatory Commission (FERC), the Independent System Operator-New England (ISO-NE), the Public Utilities Commission (PUC), the Efficiency Maine Trust (EMT), and the OPA. Each of these organizations require a certain amount of administrative overhead to operate.

Second, when we disperse decision making over a large number of entities, we run the risk that none of them are held fully accountable for the end results of their decisions. When I started this work 43 years ago, there was simply the utilities and the PUC. The PUC set the regulatory policy (under the direction of the Legislature) and the utilities followed and implemented those policies or faced the consequences of failing to do so. If things did not turn out well, it was apparent who should be held accountable. Since that time, we have created the OPA, ISO-NE, and the EMT. In addition, FERC has gone from playing a very



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small role in the regulation of wholesale transactions involving Maine utilities to a much larger role of regulating transmission rates of Maine utilities.

Currently, the Office of the Public Advocate coordinates the NWA review among the utilities, the NWA Coordinator and Efficiency Maine Trust. The Public Utilities Commission makes the final decision on which projects to implement. (The NWA Coordinator is an electrical engineering consulting firm of power system planning experts. The Coordinator proposes nonwires alternatives to utility proposed transmission and distribution projects).

One of the ongoing challenges with the ISO wholesale market paradigm is that the consumer is largely left out of the decision-making process. There is very little attention paid to affordability. Consumers and organizations representing their interests do not have the engineering expertise to challenge proposals from well financed, for profit businesses such as utilities and energy generators. Similarly, creating a mini-ISO in Maine focused on system integration may lead to overbuilding and higher rates for ratepayers if the interests of generators and utilities outweigh the interests of consumers.

Incorporating the NWA process into the DSO would either require duplicate expenses – creating government departments which will provide the engineering expertise of the NWA Coordinator, the technical energy efficiency expertise of EMT, the planning expertise of the utilities, the ratepayer representation of the OPA and the decision-making function of the PUC - or result in the loss of one or all of these important perspectives from the infrastructure decision making process.

Now, when we conclude that our electricity supply is not green enough or the rates are too high, it is not clear who among all of us is to blame. Today, it is too easy for the utilities and the various government agencies to deflect responsibility for any bad outcomes to others, including those who invaded Ukraine. We need to acknowledge that we are collectively responsible for the bottom line “amount due” on each and every utility bill that is sent out for payment and we need to work cooperatively to address all the underlying



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problems. We should stop saying it's not my fault because it's a supply problem or it's not my fault because it's a FERC problem. I fear that if we add DSOs to the list of those with oversight responsibility, this problem may only get worse.

A specific concern we have with the amended bill is related to section 2b of the DSO proposal:

2 b. Incorporates nonwire alternatives, load management and energy efficiency programs, along with traditional investments in infrastructure to assure reliability and efficient integration of distributed energy resources;

The stated purpose of the NWA Act is to lower rates for consumers. Replacing this legislation with another type of proceeding may reduce the cost saving focus of the NWA program.

Thank you for your time, attention, and consideration of this testimony. The Office of the Public Advocate looks forward to working with the Committee on LD 952 and will be available for the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

A handwritten signature in cursive script that reads "William S. Harwood".

William S. Harwood
Public Advocate