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May 10, 2023

Senator Mark Lawrence, Senate Chair
Representative Stanley Paige Zeigler, House Chair
Committee Members on Energy, Utilities and Technology
100 State House Station
Augusta, ME 04333

LD 327, An Act to Provide Maine Ratepayers with Equitable Access to Interconnection of Distributed Energy Resources

Dear Senator Lawrence, Representative Zeigler, and Members of the EUT committee,

This statement provides written comments from Sundog Solar LLC in support of LD 327.

Sundog Solar and our hard working company of 32 employees has been operating out of Midcoast Maine since 2009. We offer photovoltaic, energy storage, heat pump and EV charging technologies, turnkey developments and installations to residential and commercial customers. Sundog's position in the Maine marketplace offers valuable "boots on the ground" experiences of the interconnection of level 1 and 2 renewable energy distributed resources.

Maine's clearly defined clean energy goals are dependent on the process of Chapter 324 "small generator interconnection procedures" being fair, equitable and inclusive for all utility customers. However, the current environment within which the interconnection process takes place is heavily utility-centric, resulting in unnecessary and costly roadblocks for level-one and level-two interconnection applicants who, in some cases, have been denied interconnection altogether. The growing frequency in these denials prevent Maine ratepayers from pursuing their individual rights to a clean energy transition, while actively inhibiting progress toward Maine's larger clean energy goals. This environment has raised widespread concern about future interconnection availability from within the marketplace.

Through LD 1100, the PUC hired the Interstate Renewable Energy Council to address many of the same issues that LD 327 seeks to repair. IREC's report outlines the core issues suffered by Maine interconnection customers, and has proposed clear, professional and objective recommendations to both reinforce and provide greater technical clarification in defining the intent of chapter 324's interconnection procedures. Although this document was produced and provided to the PUC more than a year ago, the recommendations have yet to be implemented.

A growing number of Sundog Solar customers are experiencing encroaching and inequitable treatment through the interconnection process in certain utility areas and under certain

circumstances. Our company has tracked the interconnection results for our customers since late 2021, which has brought to light an alarming increase in failure rates for level 1 and 2 interconnections to-date. Prior to Q2 2022, Sundog Solar customers experienced a 10% interconnection failure rate, on average, often associated with minimal upgrade requirements for a project to proceed. This failure rate has evolved to what is now more than a 60% failure rate within Versant Power territory, on average. Throughout the same timeframe, Central Maine Power has maintained an average failure rate for level 1 projects at around 10%. This amounts to (6) level 1 projects within Versant Power's territory being denied "export" interconnection between Q3 2022 through the present. These failures represent just over a quarter million dollars of lost business activity (\$228,800.00) and the denial of (66.15 kW) + (13.5 kWh) of renewable generation and energy storage to Versant Power's utility grid.

In addition to these complete failures, not being allowed to proceed as export interconnection, many of our customers have also experienced a substantial increase of utility infrastructure upgrade requirements for level 1 and 2 projects that have failed, but ultimately granted access to interconnection with the completion of the required upgrades. Many of the requirements that have been made are above and beyond and are in-equitable to the interconnection customer, resulting in very costly upgrade expenses, in some cases as high as 30+% of the contracted project price.

For the customers that can afford it, many have opted to move forward, paying for expensive upgrades, despite being offered little or no transparency as to why such upgrades are required. In a limited number of cases, Versant Power has made the "required" upgrades optional to the customer. This has been appreciated by the customers on a case-by-case basis, but leaves confusion as to why these types of negotiated examples exist within a procedural process.

LD 327 implements some important checks and balances to the successful and equitable access of interconnection of DER's. The implementation of a monitoring process and annual report to the legislature allows for an important analysis around the costs and benefits of the program at large, so that the legislature has a more clear understanding of its heartbeat and success.

The strengthening of the intent of the state's interconnection rules to adopt and reflect nationally recognized best practices, including those established by IREC will ensure that utility companies cannot go above and beyond "best practices" of interconnection to the detriment of projects, which is what is currently happening. Ensuring a timely resolution process that does not place an undue burden on customers is critical for the interconnection customer and is needed immediately. The coordination of planned utility upgrades for load and renewable capacity together is critical to the economic efficiency of electrical utility infrastructure upgrades ensuring capacity is thought of for both load and generation, making each upgrade more impactful to the total need of the future. Defining more clear rules for the interconnection of energy storage is an immediate need.

Appointing an interconnection ombudsman bridges an enormous gap that exists within the current interconnection process. It creates a reasonable pathway and advocate at the PUC for the approval of level 1 and 2 projects that have been denied or charged un-reasonable costs for interconnection. Currently it is too costly for most level 1 and small level 2 customers to proceed with dispute resolution and hiring an attorney to represent them, leaving no reasonable pathway to dispute a failed interconnection. Funding this through persons seeking such interconnection resolution along with federal and private funds and ensuring the funds are used solely for funding the Ombudsman position is appropriate.

Establishing a clear rule on interconnection studies and infrastructure upgrade cost allocations and methods specifically to onsite solar DER's ensures fair, equitable and economically reasonable costs for such beneficial projects will resolve much of the inefficient and disruptive cost allocations presented to smaller level 1 and 2 projects. It will result in less time spent by the utility companies, solar integrators and interconnection customers managing the interconnection failures and disputes that arise from these failures.

On behalf of Sundog Solar, our 32 employees and more importantly on behalf of our customers and interconnection rate payers, we strongly urge this committee to support the adoption of LD 327 and vote to pass this bill. Thank you kindly for your attention to this critically important matter at hand and for the opportunity to voice our opinions.

Sincerely,

Danny Piper
Owner
Sundog Solar LLC