



Testimony in Opposition to LD 327 (sponsor amendment)
An Act to Provide Maine Ratepayers with Equitable Access to Interconnection
of Distributed Energy Resources
May 10, 2023

Senator Lawrence, Representative Zeigler, and members of the committee, my name is James Cote and I am here today on behalf of Versant Power in respectful opposition to portions of the LD 327 Sponsor's Amendment.

Since the legislature significantly expanded the Net Energy Billing program in 2019, Versant Power has been working diligently and effectively to interconnect distributed energy resources to the grid. We have developed interconnection processes that we believe appropriately balance efficiency with the need to maintain safety and system reliability for all customers. We have upgraded our technological tools and added numerous new staff resources to accommodate these sometimes very complex arrangements in a reasonable timeframe. No system is ever perfect of course, and Versant Power is constantly looking for ways to improve our approach, including by reviewing national best practices, talking with other utilities across the country, and working in partnership with stakeholders and governmental entities like the PUC, OPA, and GEO.

While much work certainly remains, we have made significant progress. In 2021 and 2022, Versant Power worked with developers to process more than 675 applications and to interconnect more than 68 megawatts of solar energy to the distribution grid. We are currently working with the owners of more than 432 active projects to integrate an additional 500-plus megawatts of renewable energy in northern and eastern Maine. And through all this, fewer than 10 projects have chosen not to move forward because the local circuit has reached capacity and necessary interconnection upgrades would have been prohibitively expensive for these projects.

That said, in Maine, and in the Versant Power territory in particular, we find ourselves on the cutting edge of working through the interconnection challenges which will soon face states across the country as the DER penetration levels continue to rise. Versant Power's Maine Public District's (MPD) average system load in the summer is approximately 70MW but nearly 200MW of distributed generation pending interconnection. That means the MPD is experiencing penetration levels *exceeding* those in places like Hawaii or California. This high penetration level presents novel and complex system challenges that Maine must address without the benefit of considering how other states have done so. Versant is working to solve the challenges this situation has created.

Regarding Section 1 (Appointment), Versant Power generally supports additional PUC resources to help certain customers navigate the sometimes complicated and technical interconnecting process. We believe that dedicated and impartial PUC staff resources with relevant technical expertise (e.g., an electrical engineer or a consultant versed in the T&D utilities' infrastructure, such as EPE) could help inform customers about the interconnection process, provide important information to customers considering new projects, and help resolve minor disputes informally without needing to expend more significant PUC, utility, and developer resources in formal proceedings. In the future, such a resource could also potentially be well situated to help guide customers through new customer-facing technology implementation processes, e.g. regarding home energy storage, virtual power plants, demand response programs, etc.



interconnection studies and utility infrastructure upgrades “causes the interconnection of the generator to be uneconomic.”

The term “uneconomic” is undefined, vague, and will, undoubtedly, be interpreted subjectively. Further, we are concerned that no source of funding has been identified nor an estimate of the costs necessary to support establishing a rule directing that *“a solar generator is not required to pay an amount of such costs that causes the interconnection of the generator to be uneconomic”* has been calculated. Without further clarification, it appears that ratepayers would likely be tapped to fund this proposal. We do not believe that this would be fair to our customers. Should the committee choose to move forward with this policy, we suggest that the specific qualifications for a project to be eligible for interconnection funding should be clearly defined through a formal process. In addition to the interconnection costs, we believe consideration should be given to the potential value of a project to the grid and thus other ratepayers, *e.g.*, how well the generation is sited to provide locational benefits as defined by the ongoing PUC Integrated Grid Planning process (Docket No. 2022-00322). Determining the overall size of the fund in question initially (*e.g.*, by capping the assessments from interconnection fees or ratepayer dollars to no more than a certain amount) could also help the PUC prioritize the way such funding is distributed to maximize the benefits to state policy goals and ratepayers alike.

Finally, if this bill moves forward, we believe that the same evaluation directed in Section 4 of the bill, which requires the PUC to evaluate the total cost of interconnection compared to the “common system benefits” resulting from that interconnection should be required as part of these rules to ensure that there is a favorable cost-benefit outcome for ratepayers as a whole.

Versant Power firmly believes that a long-term planning process is critical to ensure that limited ratepayer resources are being deployed in the most efficient manner possible to meet state goals. In our experience, the current “popcorn” approach to adding DERs to the system has led to very few instances in which interconnections have also resulted in “common system benefits.” A more strategic planning process, such as the ongoing Integrated Grid Planning exercise authorized by LD 1959 in the last legislature could result in an outcome whereby carefully sited and sized DERs providing “common system benefits” to all customers is the rule rather than the exception.

For these reasons, we would urge you to vote ought not to pass on LD 327. Thank you for your consideration.