



## CENTRAL MAINE POWER

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

May 10, 2023

Testifying: Ought Not To Pass

Senator Lawrence, Representative Zeigler, Members of the Joint Standing Committee on Energy, Utilities and Technology, my name is Kathleen Newman, presenting testimony on behalf of Central Maine Power company in opposition to LD 327, An Act to Provide Ratepayers with Equitable Access to Interconnection of Distributed Energy Resources, and the Proposed Sponsor Amendment offered on May 8, 2023.

CMP appreciates the work the sponsor has done on these issues but for specific reasons do not believe the legislation is necessary at this time. As with any legislation the details matter. In speaking in opposition to the bill, CMP does not take a position on whether solar development is good for the state or not but emphasizes that costs and reliability need to remain front of mind as we make big steps to transition the grid and connect distributed generation. Being strategic to reduce costs must be front of mind. If committee members wish to expand the solar DG program as contemplated by this bill, we strongly urge you to find a funding source other than the utility customer.

**Sec. 1. 35-A MRSA §107, sub-§1 and sub-§2.** *Creates a position within the Public Utilities Commission for an interconnection ombudsman that is funded by fees paid by persons seeking interconnection, federal funds and contributions from private and public sources. The commission is required to make a good faith effort to hire an interconnection ombudsman within 12 months of the effective date of the Act.*

The creation of a new position is unnecessary. The Maine Public Utilities Commission already has a process whereby developers may pursue dispute resolution. Entrance into the process is a very low bar, requiring a straightforward filing letter. From a workload standpoint, if the Commission believes it needs additional resources to administer the program, CMP recommends a staff person be hired to manage the already existing process available to interconnecting customers.

**Sec. 3. 35-A MRSA §3473, sub-§1 and sub-§1-A.** *Requires the Commission to monitor level of solar development relative to state policy goals and the costs and benefits of solar energy development and to provide an annual summary report regarding its monitoring to the joint standing committee of the Legislature having jurisdiction of energy matters.*

This section aims to highlight the value or quantity of benefits of solar development that are not monetized as costs. CMP does not have an issue with acknowledging and quantifying benefits of solar DG. However, CMP cautions that the costs to incentivize the program and that are paid for by customers

through rate impacts on an annual basis using the stranded cost mechanism will not change regardless of how great the benefits may be. The cost/benefit analysis may provide specific support for the continuation or expansion of the program from a policy perspective, but it won't necessarily change the ratepayer impact. Undertaking such an analysis and report may require additional funding; CMP customers should not have to pay those costs.

**Sec. 5. 35-A MRSA §3474, sub-§3.** *Directs the commission to adopt interconnection rules applicable to solar resources and to energy storage systems within 6 months of the effective date of the Act and, within 3 months of the effective date of the Act, adopt rules to establish a reasonable allocation of costs for interconnection studies and utility infrastructure upgrades that ensure an on-site solar generator is not required to pay an amount of such costs that causes the interconnection of the generator to be uneconomic. The commission is required to evaluate the cost allocation annually.*

This provision contains the most concerning aspect of this bill – an assurance that an on-site solar generator is not required to pay an amount of interconnection costs that causes the project to be uneconomic.

First, from a system reliability perspective this provision creates the wrong incentives. It could lead to proposed interconnection upgrades that are less expensive but also afford less safety and reliability, potentially threatening the system.

Second, if the interconnection upgrades do tip the scales of a project being uneconomic, this provision disincentivizes strategic siting and instead simply requires a payment to the developer. This approach is explicitly creating more costs to an already costly program rather than encouraging strategic siting.

Third, should the situation occur where a developer gets paid to ensure an economically viable project, CMP customers must not be the funding source for that payment. Utility customers generally, and CMP customers specifically, are already bearing the burden of supporting this program in stranded costs. To ask CMP customers to pay for both the incentive embedded in the rate (whether it is the kwh program or the tariff rate program) under the current program and also to support developers' interconnection costs, could become crippling for many homes, and generally is not good public policy.

Regarding the interconnection rules themselves, the MPUC already has an ongoing and open docket regarding interconnection under Chapter 324. The MPUC is now actively addressing the cost for residential or other offsetting projects to make them as economical as possible.

**Sec. 8. Solar interconnection cost allocation method and rules.** *Requires the commission to contract with an expert to conduct an evaluation of and issue a report addressing whether the existing NEB tariff rate has been implemented in a way that maximizes the value of the portfolio of the resources to all ratepayers and report to the legislature.*

MPUC has already directed the staff to begin a proceeding to review the entire entitlement resale value. The provision is simply unnecessary and redundant to work already underway at the Commission.

We urge the committee to vote Ought Not to Pass on this legislation and appreciate your consideration of our position.