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PUBLIC UTILITIES COMMISSION

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**Testimony of the Maine Public Utilities Commission**

**Neither For Nor Against**

**LD 1850, An Act Relating to Energy Storage and the State's Energy Goals**

May 16, 2023

Senator Lawrence, Representative Zeigler, and Distinguished Members of the Joint Standing Committee on Energy, Utilities, and Technology (Committee), my name is Deirdre Schneider, testifying neither for nor against the sponsor's amendment to LD 1850, An Act Relating to Energy Storage and the State's Energy Goals on behalf of the Public Utilities Commission (Commission)

The sponsor's amendment to LD 1850, which was distributed on May 15<sup>th</sup> directs the Commission to conduct one or more proceedings to determine the conditions under which an investor-owned transmission and distribution (T&D) utility may own, have a financial interest in or otherwise control an energy storage system in order to perform its obligations as a T&D utility in an effective, prudent and efficient manner. It provides the minimum considerations to be explored in a proceeding regarding the role a T&D utility may have regarding energy storage systems. It requires the Commission to submit a report by February 15, 2024, to the Committee that includes any statutory changes that may be needed to define this role for the utility. The Commission appreciates this approach, as opposed to the approach in the bill as drafted, because depending on the outcome of the proceeding, additional changes to Title 35-A may be needed before rules can be adopted.

In regard to Section 3 of the bill, the Commission notes the approach of requiring the Governor's Energy Office (GEO) to design a procurement program for utility-scale energy storage systems and submit its recommendation to the Commission may be better suited to occur once the role of utility ownership of energy storage systems is more defined. If there is a role for utility ownership, interest or control in energy storage systems, that could impact the procurement process.

Finally, Section 4 of the bill requires the GEO to study long-duration energy storage and specifies that the Commission shall provide technical, legal and other assistance to the GEO, as well as funding for staff and consultants not to exceed \$300,000 from the Commission's Regulatory Fund. This fund is funded through assessments on utilities, so it represents ratepayer funds. It would be more appropriate for funding to support this work be provided through the Commission's Reimbursement Fund. In addition, we note that in LD 952, the majority of the Committee voted to allow the GEO, absent other funding sources, to access up to \$200,000 from this fund to study the feasibility of a Distribution System Operator. While the Commission currently has sufficient funds to cover both of these studies through the Reimbursement Fund, we are concerned that these two studies could absorb more than half of these funds, which are a source of intervenor funding, funds used for DigSafe training and education, as well as funding used to educate the public on issues and resources for financial assistance.

I would be happy to answer any questions or provide additional information for the work session.