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Testimony of Patrick Woodcock

An Act to Implement Recommendations of the Distributed Generation Stakeholder Group "L.D. 1465"

January 9, 2024

Senator Lawrence, Representative Zeigler, and members of the committee on Energy, Utilities and Technology: My name is Patrick Woodcock, and I am before you today representing the Maine State Chamber of Commerce, a statewide organization consisting of more than 5,000 small and large businesses.

The Chamber of Commerce welcomes all efforts to reduce electricity costs for Maine and also will also recognizes the importance of maintaining predictability for the Maine business community.

Distributed generation policy must evolve to:

1) Maintain growth of renewable resources, especially for winter production;
2) Reduces costs to electricity ratepayers to provide competitive economics for electrification and improve the overall costs to ratepayers;
3) Provides price signals to maximize generation during high pricing events.

State distributed generation incentive programs have over the last decade been challenged to keep up with technological advancements such as electric storage, insufficiently incorporated the reduced costs of solar installations in program pricing, and have lacked a locational price signal to install facilities where they are most helpful to the distribution system.

There are some key elements in the Net-Energy billing program that should be addressed:

1) Storage Economics. Facilities should be encouraged to dispatch during peak demand periods and incorporate storage into the program's incentives;
2) AMI Technology. Maine has the AMI technology to provide real-time pricing compensation;
3) Locational Value. Additional capacity of distributed generation has the potential to both mitigate the need for planned upgrades of the system, but

can also require massive upgrades. There should be price signals for these specific circuits.

Ultimately, state policy must reflect the changing capacity levels of distributed generation in the State of Maine.

NARUC - Evolution of the Distribution System & the Potential for Distribution-level Markets: A Primer for State Utility Regulators

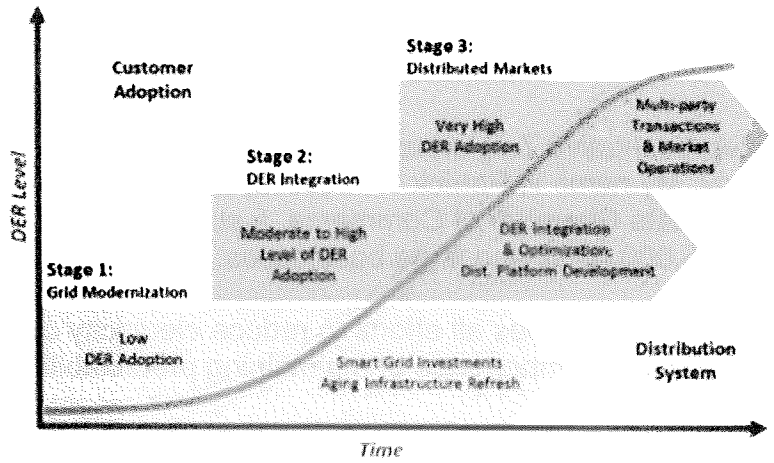

Figure 1. Distribution System Evolution.
We developed a three-stage evolutionary framework for the distribution system driven by its aggregate growth of DERs. The stages are related to the required distribution system changes and potential for DER service transactions at certain thresholds of DER adoption, as experienced in the U.S. and globally to date.

The Net-Energy billing program is typical of a low DER adoption state and further capacity added under this regulatory frameworks creates unnecessary costs, fails to utilize the resources most cost-effectively and starts increasing costs in the distribution system to accommodate projects that are chasing program incentives, but fail to consider the upgrade costs.

The Maine State Chamber of Commerce believes that developing a new policy for behind-the-meter generation should commence at the Commission that utilizes federal funding, leverages the electric distribution companies' AMI technology that ultimately continues to grow this resource at a lower cost to Maine ratepayers.