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**Testimony of the Maine Public Utilities Commission  
Neither For Nor Against**

**LD 589, Resolve, Directing the Public Utilities Commission to Ensure That the  
Maine Electric Grid Provides Additional Benefits to Maine Ratepayers**

January 11, 2024

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 589, Resolve, Directing the Public Utilities Commission to Ensure That the Maine Electric Grid Provides Additional Benefits to Maine Ratepayers on behalf of the Public Utilities Commission (Commission).

**Section 1: Grid Enhancing Technologies Investigation**

Section 1 of LD 589 requires the Commission to conduct an investigation of grid enhancing technologies to be implemented by transmission and distribution utilities to minimize the need for investment in new grid infrastructure. As part of the investigation the Commission is also required to evaluate, in collaboration with the nonwires alternative coordinator, if the current nonwires alternative process is effectively able to consider the use of grid enhancing technologies. It also requires, at the conclusion of the investigation, the Commission to order transmission and distribution utilities to implement any technologies the Commission identifies as cost-effective and in the public interest.

Currently, the Commission is engaged in the integrated grid planning process as required by section 3147 of Title 35-A<sup>1</sup>. This process, which is to occur every five years, requires the Commission, through a public process, to identify the priorities to be addressed in filings by Central Maine Power and Versant Power (utilities) that will assist in the cost-effective transition to a clean, affordable and reliable electric grid. It also requires the utilities in its filings to the Commission to include planning scenarios that incorporate, when applicable, mechanisms for achieving the priorities, which include the use of cost-effective technology and nonwires alternatives. The Commission is authorized to use the filings and input it receives from interested parties on these filings in rate cases or other proceeding involving the utilities.

In addition to the integrated grid planning process, the Commission initiated an informal inquiry into the status and progress of the utilities toward applying for and potentially securing federal grant money made available through the U.S. Department of Energy (DOE) under the Infrastructure Investments and Jobs Act (IIJA), or other recent federal legislation. The Commission has indicated that it may use the information it receives in this inquiry in future ratemaking proceeding involving the utilities. The utilities

<sup>1</sup> LD 1959 (Public Law 2021, chapter 702).

were required to submit specific information by September 30, 2023, and must continue to file quarterly reports to the Commission.<sup>2</sup>

While some of what is required by section 1 of the Resolve is duplicative of current Commission processes, what is most concerning to the Commission is the requirement that the Commission direct the utilities to implement specific technologies. This directive runs counter to the current regulatory framework and runs counter to the use of performance incentives to measure the effectiveness of investments made by the utilities. By directing a utility to implement measures in this manner, it is essentially determining prudence of that investment upfront, rather than incentivizing the utilities to find the most cost-effective way to achieve positive outcomes. It is also putting the Commission in the position of making operational decisions rather than regulating the utility's activities. What if the technology the Commission directs the utility to implement is not successful at achieving the desired outcome or proves to be ill-suited for the operational conditions at the utility? Should the Commission not allow recovery of those costs, even though the Commission directed the utility to use that specific technology? Through our rate cases and CPCN proceedings the Commission already has the ability to consider cost-effective, innovative alternatives to traditional utility investments and we have tools to hold the utilities accountable when they fall short of meeting performance standards.

The Commission does think there may be value in contracting with a consultant periodically to stay informed of new grid enhancing technologies available and their various applications. This information could be utilized by the Commission in rate cases or other proceeding involving the utilities. This would dovetail nicely with the work already underway at the Commission and could be timed to inform the integrated grid planning process.

## **Section 2: Beneficial Load Study**

Section 2 of LD 589 requires the Commission to conduct a study of beneficial load and provide a plan for beneficial electrification that integrates with the ongoing energy planning efforts of the Governor's Energy Office (GEO) and encourages the consistent and efficient development of additional renewable resources and the beneficial electrification required to minimize fossil fuel emissions.

As part of the integrated grid planning process mentioned above, there is technical working group that is focused on load forecasting. The filings made by the utilities are required to include forecasts of projected load, including forecasts of end-use electrification, energy efficiency and distributed energy resources and to reference and incorporate, as appropriate, all relevant analysis conducted as part of the State's climate action plan and relevant information from reports and analysis completed by other state agencies and quasi-independent state entities.

Additionally, ISO-NE conducts an annual Capacity, Energy, Loads, and Transmission (CELT) forecast that includes forecasts related to heating and transportation electrification.<sup>3</sup> The Commission, the Trust and the GEO all participate in this process. Last session, the Beneficial Electrification Policy Act was enacted<sup>4</sup> and promotes the coordination of efforts between the Commission, the Trust and the GEO to promote beneficial electrification. Part of this process requires the procurement of energy from renewable

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<sup>2</sup> CMP indicated in their last submission that they were awarded a \$30 million grant under the Grid Resilience and Innovation Partnership to be used to target projects in disadvantaged communities in CMP's service territory and will help CMP accelerate the deployment of smart grid technologies and the distribution supervisory control and data acquisition switch program to reduce the frequency and impact of power outages.

<sup>3</sup> Heating electrification forecast - [https://www.iso-ne.com/static-assets/documents/2023/04/heatfx2023\\_final.pdf](https://www.iso-ne.com/static-assets/documents/2023/04/heatfx2023_final.pdf) and transportation electrification forecast - [https://www.iso-ne.com/static-assets/documents/2023/04/transfx2023\\_final.pdf](https://www.iso-ne.com/static-assets/documents/2023/04/transfx2023_final.pdf)

<sup>4</sup> Public Law 2023, chapter 328

resources to achieve emission reductions and renewable energy goals and to meet reasonably expected growth in electric demand.

While some of these efforts may be duplicative of certain aspects of Section 2 of this Resolve, the Commission could contract with a consultant to conduct this study and produce a report as required by the Resolve. The Commission does note that we have limited resources and capacity to perform studies in the coming year.

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