Gerry Runte
P.O. Box 32
York, ME 03909
Phone: (207) 361-7143
Gerry.Runte@legislature.maine.gov

HOUSE OF REPRESENTATIVES
2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002
(207) 287-1400
TTY: MAINE RELAY 711

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Testimony of Representative Gerry Runte introducing

LD 1726, An Act to Enhance the Coordination and Effectiveness of Integrated Distribution Grid Planning

Before the Joint Standing Committee on Energy, Utilities and Technology

Senator Lawrence, Representative Sachs, and distinguished Energy, Utilities and Technology Committee members, I am Gerry Runte and I represent portions of Ogunquit, Wells, and York. Thank you for the opportunity to present testimony on **LD 1726, An Act to Enhance the Coordination and Effectiveness of Integrated Distribution Grid Planning.**

The integrated distribution grid planning process is one of the most important vehicles for the State to achieve its electricity affordability, reliability, resilience, and climate goals. This bill aims to achieve a higher level of coordination among all the various agencies and initiatives that impact, or should be subject to, the grid planning process. I apologize for the late amendment to the bill, that deletes Section 4 and further clarifies Section 6 by replacing it with two new sections.

Before I discuss the bill's specifics, it's essential to describe how the process might operate in an ideal world and identify those actions taken by utilities, regulators, and policymakers interacting with grid plans, starting at the lowest level and zooming out.

At the most basic level, consider a circuit in the grid network. Let's say a five year load growth forecast is completed showing a significant growth in demand on that circuit. The tools available to directly address that growth are new wires, or the non-wires alternatives: placement of local generation to serve part of that new demand, or demand management measures. The most likely solution is some combination of those three tools tailored to the specific needs of that circuit.

Additionally, a variety of grid-enhancing technologies are available, or will soon be available, and need to be factored in that allow for more precise control of circuits and the transmission that supports them, providing both higher reliability and optimum performance.

Now, let's consider the addition of distributed energy resources (DER), not as alternatives to new wires, but as new generation sources necessary to meet overall system demand. If we want to avoid or mitigate any new infrastructure investments required to support adding these sources to the grid as well as assuring their expeditious interconnection, each utility's grid plan should inform the procurement process to optimize their capacity and location to achieve these two goals.

Regulatory tools, such as rate designs meant to reduce peak loads or establish performance mechanisms, must also form part of the grid planning process to facilitate goal achievement and create opportunities for introducing new technologies that complement those goals.

All these factors need to be an integral part of the grid planning process.

So, where do things stand in Maine? Grid plans became a regulatory requirement in Maine with the enactment of LD 1959. Last summer, the Public Utilities Commission (PUC) concluded its proceedings to get stakeholder input on the priorities for utility grid plans. Both utilities are required to submit their plans by January 2026. While the commission does not explicitly approve utility distribution grid plans, it guides their development priorities, facilitating stakeholder input, requiring utilities to submit filings that address those priorities, making those filings available for public comment, directing revisions if needed, and using the resulting information to inform future regulatory decisions.

The intent of this bill is not to interfere with the ongoing grid planning process but to refine how it interacts with other initiatives and give it a "tune-up" for future planning. The bill consists of 10 sections to address the following issues or to clarify existing statutes.

Sections 1, 5, and 9: Planning Methodologies

Maine's Energy Plan was completed earlier this year, presenting pathways to achieving the state's climate, resilience, and affordability energy-related goals. The plan's elements that address electricity were based on a comprehensive supply and demand forecast that identified reliability, emissions reduction, and other parameters while minimizing costs. That forecast also considered the role of innovation, emerging technologies, and load flexibility in achieving the goals.

The Energy Plan identifies the long-term sources of electricity that will be needed, especially locally generated electricity. It considers demand management's role in mitigating load growth and the grid into which these sources are operated and controlled.

The Brattle Group developed the Energy Plan's underlying supply and demand forecast. One can think of it as a "bottoms-up" analysis. The forecast used in grid plans is a "top-down" analysis based on ISO New England's Forecast Report of Capacity, Energy, Loads, and Transmission (CELT), a regional forecast translated to Maine circumstances. Currently, the methodology used for distribution grid plans is in statute (Title 35-A, Chapter 31,section 3147, subsection 3). It predates the existence of a State Energy Plan. Given the direct linkages between the Energy Plan and the grid plans, planners should base both on the same load forecast.

The bill establishes the forecast used in the Energy Plan as the basis for grid plans. While I expect significant discussion regarding which of the two methodologies is more appropriate, one of the bill's objectives is to ensure that the Energy Plan and the grid plans rely on the same load forecast. The bill does not preclude the use of other forecasting methodologies for other purposes.

Amendment Added Sections ("Definitions" and "Priorities identified; stakeholder input", replacing previous Section 6): Coordination of Grid Plans with Transmission Planning and Grid-Enhancing Technologies

This section ensures that grid plans directly link transmission-level planning that forms part of the energy plan and the activities of the Governor's Energy Office (GEO). For example, the

Governor's Energy Office received $65 million to pursue a flexible interconnection program using software and hardware to enhance grid stability, regulate voltage, and increase transmission capacity on existing lines. Programs like this ought to be integral to the grid planning process.

In addition, Section 6 explicitly requires that grid plans consider grid-enhancing technologies at the distribution level to improve efficiency and reliability and defines advanced conductoring. Finally, the section requires the commission to develop incentives for adding measures to improve grid monitoring and data to monitor power quality, reliability, state of the infrastructure, and DER capacity.

Section 2: Storage Definition

This section adds a definition for "energy storage system" in the grid planning statute (storage appears in the proposed new subsection 6) consistent with the definitions for distributed generation in Section 3481.

Sections 3, 7, and 8: Distributed Energy Resource Procurements

When DER procurements and long-term grid planning processes are conducted in isolation, unintended consequences can occur. Maine has already experienced this in its solar program through procurements that did not optimize project location to minimize infrastructure investments. Sometimes, this resulted in interconnection costs that made projects uneconomic or caused significant delays in connections due to the complexity of modeling the necessary infrastructure to support the project directly and indirectly. While some level of coordination among agencies that direct procurement does occur, there is no formal requirement for close linkage between procurements and grid plans.

Section 3 of the bill establishes formal linkages and coordination between procurements of distributed generation, including energy storage and the grid plans. Section 7 makes a formal linkage of renewable portfolio standard (RPS) project procurements. Section 8 makes a similar linkage for procurements in support of beneficial electrification.

Section 10: Nonwires and Demand Management

Nonwire alternatives and demand management, as noted in the hypothetical, represent two of the three tools that can address demand growth. However, while the PUC is in charge of the planning process, the lead for non-wire alternatives is in the Office of Consumer Advocate, and the lead for demand management is at Efficiency Maine. This structure exists because the non-wires alternative process predated LD 1959 by a legislative session. In an ideal world, non-wires alternative evaluations would be an integrated part of grid planning and not treated as a standalone exercise. That said, this arrangement could continue to operate, but with perhaps tighter and more formal linkages to the grid planning process.

The bill requires the three agencies involved in non-wires—the PUC, OPA, and EMT—to assess the current situation and report back to this committee next January with recommendations on how that process could be improved.

Summary

LD 1726 is a collection of measures to improve the grid planning process and strengthen the coordination between Maine's energy agencies and utilities by:

- Strengthening its governance by establishing formal linkages to activities that have a direct impact on, or perhaps should be subject to, the findings of a grid plan;
- Standardizing energy forecasting;
- Integrating grid plans into all major planning and procurement decisions;
- Creating a link between the grid planning process and transmission planning process;
- Promoting smarter, more efficient, and cost-effective distribution grid using new grid-enhancing technologies; and
- Initiates a review of how the non-wires alternative program might be better coordinated with the grid planning process.

I look forward to discussing these steps and am glad to answer your questions.

Thank you for your consideration.