



STATE OF MAINE
PUBLIC UTILITIES COMMISSION

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Testimony of the Maine Public Utilities Commission

Neither For Nor Against

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

April 29, 2025

Senator Lawrence, Representative Sachs, 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 1726, An Act to Enhance the Coordination and Effectiveness of Integrated Distribution Grid Planning on behalf of the Public Utilities Commission (Commission).

LD 1726 requires the Commission to use an energy forecasting method consistent with the method used by the Governor's Energy Office (GEO) in preparing its comprehensive plan. It also incorporates the use of the grid plans in specified Commission actions. Lastly, it requires an assessment of the nonwires alternative investigation process.

While the Commission is supportive of the approach of aligning the work of various state entities and utilizing grid plans across many areas of the Commission's work, more flexibility than what is proposed in LD 1726 may be needed, especially since the first grid plans have not yet been filed with the Commission.¹

The requirement that the Commission adopt a method for energy supply and demand forecasting that is consistent with the method used by the GEO in preparing the comprehensive state energy plan to be used by a utility in the grid planning process makes sense in the context of promoting uniformity but does not account for differing needs for the forecasting. During the grid planning process, a lot of stakeholder discussions took place relating to forecasting methodology. Additionally, the law requires that the grid plans include forecasts of projected load, including forecasts of end-use electrification, energy efficiency and distributed energy resources (DER), and at least two potential planning scenarios, at a minimum, a baseline scenario and a scenario of high-penetration DER and end-use electrification. ISO-New England produces the Capacity, Energy, Loads, and Transmission (CELT) forecast for New England each year, including 10-year state-level forecasts of heating and transport electrification. The CELT also includes a forecast of the growth of DER such as behind-the-meter solar.² Many of the stakeholders agreed with using the modified CELT for forecasting in the grid planning process.³ In context of uniformity, the law could instead require that the GEO, the Commission, and the Trust to engage in further discussions

¹ The first grid plans are due by January 12, 2026.

² Since the CELT is a transmission-level forecast, the utilities when preparing their grid plans will need to develop a method to disaggregate the CELT forecast to the level of the distribution system.

³ Final Report Regarding the Development of an Integrated Grid Plan Pursuant to Public Law, 2021, chapter 702 - <https://www.maine.gov/mpuc/sites/maine.gov/mpuc/files/inline-files/Integrated%20Grid%20Plan-Final%20Report%20-7.15.pdf>

regarding commonalities to forecasting. Coordination and collaboration may provide similar benefits without prescribing a preferred methodology.

Section 3 of LD 1726 requires the Commission to utilize the grid plans in developing RFPs, conducting procurements and negotiating agreement for energy and energy storage systems in order to optimize grid capacity, including evaluating the site location of projects and minimizing the need for capital investment in the transmission and distribution system. It also includes the requirement to utilize the grid plans in Sections 7 and 8, which relate to the contaminated lands procurement and beneficial electrification procurement respectively. It is premature to include these requirements as the Commission has yet to receive a grid plan, so it is unclear how the plans will inform the procurement process. Oftentimes bid evaluation requirements in statute contain preferences or other specific selection criteria. If an evaluation based on the grid plans leads to a preference for a project, but this project selection is contrary to the required evaluation criteria for the procurement it is unclear to the Commission how to reconcile these competing interests. Additionally, in preparing bids, bidders will attempt to locate their projects in order to minimize the need for upgrades, as the bidders will be responsible for those costs. A consideration for the Committee would be to amend section 3147, subsection 4 as follows:

The commission may use the filing and the input received from interested parties in rate cases or other proceedings involving the covered utility. The Commission may use the filings in evaluating bids in a competitive solicitation in order to optimize grid capacity.

The sponsor's amendment removes Section 6 of LD 1726 but places the elements of that section in the grid planning law and requires those to be included in the identification of priorities for the plans. The requirement that recommendations related to transmission planning contained in the GEO's energy plan be part of the grid plan is not feasible as the grid planning process is for the distribution system, not the transmission system. Transmission planning is under the purview of ISO-NE and FERC. The Commission does look to the state energy plan in relation to our participation and advocacy at the regional level on matters related to transmission. Additionally, the Commission is already addressing the components related to paragraphs B and C as follows: (1) the grid plans are required to include an analysis of available and emerging technologies necessary to enable demand response, load management, and flexibility; (2) work by the Commission's consultant is nearing completion regarding a grid-enhancing technology review; (3) the grid plans will also include information regarding existing and potential pilot projects related to a variety of topics including emerging technologies and emerging rate design and/or demand response concepts; and (4) the Commission has required both CMP and Versant to perform Voltage Optimization pilot projects⁴ and Versant Power included funding to expand the technology platform that was implemented in the pilot further in its last rate case.⁵ Furthermore, within the context of a grid planning process the Commission would not be incentivizing the utilities. Using incentives to achieve outcomes would more likely occur in a rate case or other proceeding involving the utility. The grid plans submitted are not approved by the Commission and do not serve as a preapproval for the utilities to undertake projects. The plans are filings made by the utility to inform the Commission in proceedings involving that utility.

Lastly, Section 10 requires the Commission in consultation with the Trust and the OPA to conduct a review of the nonwires alternative investigation process. The Commission is supportive of this review. However, we request that the date for reporting be moved to a later date as these discussions will take time and the Commission wants to ensure any recommendations have been fully evaluated.

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

⁴ Docket No. 2016-00162.

⁵ Docket No. 2023-00336.