

STATE OF MAINE PUBLIC UTILITIES COMMISSION

Harry Lanphear
ADMINISTRATIVE DIRECTOR

Testimony Neither for Nor Against

LD 347 – An Act To Facilitate Maine's Climate Goals by Encouraging Use of Electric Vehicles February 25, 2021

Senator Lawrence, Representative Berry, honorable members of the Committee on Energy, Utilities, and Technology, the Public Utilities Commission (Commission) testifies neither for nor against LD 347, *An Act To Facilitate Maine's Climate Goals by Encouraging Use of Electric Vehicles*. This legislation would require the Commission to establish incentive rates that promote electrical vehicle charging station installation and operation. The Commission would accomplish this by considering "incentive" rate schedules filed with the Commission by utilities, who would be required under the bill to submit their proposed schedules by November 1st of this year. The Commission would review the proposed schedules to determine their conformity with Title 38, sections 576-A and 577, as well as an evaluation of the relative direct and indirect costs and benefits associated with each proposed incentive rate while accounting for varying amounts of electric vehicle usage.

It may be helpful to review the activity of the previous Legislature, and the Commission's activities pursuant to enacted law, for context. During its first regular session, the 129th Maine Legislature enacted *An Act to Support Electrification of Certain Technologies for the Benefit of Maine Consumers and Utility Systems and the Environment*, which is now codified as P.L. 2019, ch. 365, § 5. The Act directed the Commission to seek proposals for pilot programs to support the beneficial electrification of Maine's transportation sector. The aim of the pilot programs was to assess the differences between alternative approaches to advancing "beneficial electrification" technology in the transportation sector. The Act defines beneficial electrification as electrification of a technology that reduces the use of fossil fuels while providing a benefit to utilities, ratepayers, or the environment (with no harm caused to them) by improving the efficiency of the electricity grid or reducing consumer costs or emissions.

On August 28, 2019, in <u>Docket No. 2019-00217</u> the Commission issued a request for the proposals (RFP) specified in the Act. Four bidders responded to the RFP, and on February 25, 2020, the Commission awarded four pilot programs to two of the bidders.

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The Commission awarded pilot programs to CMP and Efficiency Maine Trust (EMT) relating to Level 2 charging stations for electric vehicles. The CMP pilot involves the use of a "make-ready" solution for installation of these chargers; the EMT pilot provides a rebate approach to these installations. The Commission also directed CMP and EMT to provide information to potential participants about the other entity's program so that a participant could choose between the "make-ready" vs. rebate approach. Finally, the Commission awarded a rate design pilot program to CMP relating to the Level 3 fast charging stations. The Commission understands that these pilot programs are in their early stages of deployment.

P.L. 2019, ch. 365 requires the Commission to complete a review of the implemented pilot programs that assesses the effectiveness of each of the program's elements in supporting the beneficial electrification of Maine's transportation sector by December 1, 2022. The Commission would be in a better position to evaluate the benefits and costs of various types of incentives for electric vehicles following the conclusion of these pilot programs. In the interim, we are of course happy to provide any additional information we have available that would be of assistance to the Committee.

Sincerely,

Garrett Corbin Legislative Liaison

cc: Energy, Utilities, and Technology Committee Members Deirdre Schneider, Legislative Analyst