



Jason N. Rauch, PhD – Energy, Environment, Regulatory Policy Manager, Central Maine Power Company

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Testifying: Support

LD 1682 - An Act To Require Consideration of Climate and Equity Impacts by the Public Utilities Commission

Senator Lawrence, Representative Berry, Members of the Joint Standing Committee on Energy, Utilities and Technology, my name is Jason Rauch, Manager of Energy, Environment, and Regulatory Policy for Central Maine Power Company, submitting testimony supporting LD 1682.

Central Maine Power Company (“CMP”) strongly supports the State’s energy goals to decarbonize our fuel sources and utilize beneficial electrification as we seek to mitigate climate change. We are committed to doing our part by building a stronger, more resilient grid.

LD 1682 brings the Maine PUC and the State of Maine into alignment with CMP corporate policies. As an Avangrid Company, we have corporate sustainable development policies that include policies on Biodiversity, Climate Change, Environment, Human Rights, Sustainability, Sustainable Development, and Diversity, Equity and Inclusion.¹

The inclusion of regulatory purpose to reduce greenhouse gas emissions aligns with CMP’s corporate climate change policy. Quote “Climate change is a serious threat and one of the most significant challenges of the 21st century. Scientific evidence shows that greenhouse gas emissions have accelerated global warming and that action to address climate change must occur. Avangrid is committed to the fight against climate change and to contribute to goal seven (Affordable and Clean

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https://www.avangrid.com/wps/portal/avangrid/corporategovernance/GovernanceandSustainabilitySystem/CorporatePolicies!/ut/p/z1/04_Sj9CPykssy0xPLMnMz0vMAfIjo8ziDf0tXA29LYx8_c2dzA0cnTwMAkOcAgyCA030w1EVW_HgbuRk4epmFOLoZeBkamJnqRxGj3wAHcDQgTj8eBVH4jQ_Xi0K1AtUH7h4G-BUYuJoQUAAKA0KukMgNDY0wyPRMd1RUBABoNXgi/?1dmy¤t=true&urile=wcm%3apath%3a%2FAGR_CorporateGovernance%2FCorporateGovernance%2FCorporateGovernanceSystem%2FCorporatePolicies%2FSustainableDevelopmentPolicies%2F

Energy) and goal thirteen (Climate Action) of the Sustainable Development Goals approved by the member states of the United Nations. Avangrid seeks to contribute actively and decisively to a low-carbon and sustainable future, delivering clean, low emission energy, minimizing the environmental impact of our activities and supporting and promoting actions that address climate change. Such efforts must be compatible with social and economic growth.”

To this effect, we have prioritized the enormous task of bringing online potentially more than 500 level III and IV solar projects in just the next few years. As of March 1st of this year, CMP has executed agreements totaling over 985 MW, or nearly 58% of CMP’s peak demand. When adjusted for number of customers served, CMP has annually processed in 2019 and 2020 more distributed (1-5MW) solar projects and associated capacity for interconnection than has ever been done by any major utility in the United States.

And we are proud to sponsor bringing into New England 1200 MW of clean, renewable generation with availability around the clock, every day, year-round, 500,000 MWhs of which will be dedicated to Maine customers directly. The New England Clean Energy Connect will reduce regional CO₂ emissions by 3 million metric tons.

Yet, we all as a society have much more to do. The electricity sector in Maine only accounts for 7% of Maine’s greenhouse gas (GHG) emissions from fossil fuel combustion; the majority of carbon emissions come from the transportation sector and most of the rest from our building sector. To implement CMP’s commitment to fight climate change a corporate principle is to “support innovation, initiatives and legislative and regulatory actions that support balanced electrification of consumer energy uses (including, among other, electric vehicles, railway electrification, heating systems) that contribute to the decarbonization of the economy.”

In 2019, CMP proposed a “make-ready” pilot program to support deployment of 360 Level 2 EV chargers and 32 Level 3 EV chargers across CMP territory over 2020-2022 at an estimated investment of \$3.6M. However, the Maine PUC only approved 60 Level 2 EV chargers at an investment level of \$0.24M. In contrast, CMP’s affiliate AVANGRID companies in New York State, NYSEG and RG&E, have recently been authorized by the New York PSC to launch a comprehensive “make-ready” investment program, investing up to \$118M through 2025 to support installation of over 13K Level 2 plugs and over 500 Level 3 DCFC plugs. CMP is ready and interested in providing more investment to support beneficial electrification of Maine’s transportation sector, and we look forward to this bill’s policy direction to the Maine PUC to authorize the levels of investment needed to meet Maine’s climate change goals.

The inclusion of regulatory purpose to address and mitigate environmental justice burdens also aligns with CMP’s corporate policies. Avangrid’s Sustainability Policy states to implement our commitment to sustainability we will “contribute to the communities served by the Avangrid Group and to more inclusive and equitable economic growth. The Avangrid Group works to increase access to energy services paying special attention to the needs of low income customers. The Avangrid Group actively supports local causes that contribute to the sustainable development of those communities and seeks to implement programs to reach to those in need.” Avangrid’s Human Rights Policy states “we respect and

abide by internationally recognized human rights principles and are committed to treating people with dignity and respect, refraining from discriminatory practices, and protecting the rights of ethnic minorities and indigenous peoples." And pursuant to Avangrid's Sustainable Development Policy, Avangrid seeks to "promote access to affordable energy for low income and rural communities;" and to give "attention to customers who are economically disadvantaged or in any other situation of vulnerability, establishing specific procedures of protection and collaborating in providing ongoing access to energy and gas supply according to the policies established by the competent government administrations in each case."

As part of this commitment, in 2020, more than three quarters of Avangrid Foundation's charitable giving focused directly on emergency response, removing barriers to access, and investing in communities of color and other underserved communities. Investment includes grants for public art by femme/female/gender non-conforming artists, voter education and inclusion with organizations like the ACLU and the museum dedicated to heroine Susan B. Anthony, supporting Native American youth to connect to work and cultural heritage in forest science, and continuing support for the traveling exhibit with the National Building Museum –"Evicted" – illuminating how the American housing crisis has disproportionately impacted poor families and is a driver of poverty in communities of color across the country.

We have particular concerns around equity and environmental justice in Maine as relates to the existing State Net Energy Billing (NEB) program. The Maine PUC notes that "individual ratepayer savings resulting from participation in the NEB program will be offset to a substantial degree by rate increases resulting from lost utility revenues that are ultimately paid for by the general body of ratepayers."² Recent studies out of MIT and UC Berkeley have indicated that this induced cost shift from NEB policy can act as a regressive tax on lower income households.^{3,4} This situation needs to be rectified. This bill should enhance the Maine PUC's ability to implement approaches to more accurately compensate distributed generation to reduce the inequitable cost burdens for non-adopting customers and otherwise increase more equitable participation in renewable energy consumption.

In sum, we believe in a utility regulatory regime that prioritizes the well-being of people and the preservation of the planet. Thank you for your service to Maine. We look forward to the work ahead that delivers on a low-carbon and sustainable future.

² MPUC November 10, 2020: [Report on the Effectiveness of Net Energy Billing in Achieving State Policy Goals and Providing Benefits to Ratepayers, and Renewable Distributed Generation Solicitation](#), pp. 8-9.

³ Inzunza, Andres and Christopher R. Knittel, Distributional Effects of Net Metering Policies and Residential Solar Plus Behind-the-meter Storage Adoption, MIT CEEPR Working Paper Series 2020-018, October 2020. <http://ceep.mit.edu/files/papers/2020-018.pdf>

⁴ Borenstein, Severin, Meredith Fowlie, and James Sallee, Designing Electricity Rates for An Equitable Energy Transition, Energy Institute at Haas Working Paper 314, February 2021. <https://haas.berkeley.edu/wp-content/uploads/WP314.pdf>