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January 23, 2014

Senator Cain, Representative Kruger and Esteemed Members of the GOC Committee:

RE: Maine PUC Non-compliance with L.D. 131, Resolve, Directing the Public Utilities Commission to Examine Measures to Mitigate the Effects of Geomagnetic Disturbances and Electromagnetic Pulse on the State's Transmission System.

Last spring, the Legislature passed emergency legislation almost unanimously regarding electromagnetic pulse and geomagnetic storm protections for the grid. The resolve called for a PUC report to put together information on vulnerabilities, options for protection, costs of protections – low, medium and high and a timeline for putting recommendations into effect.

The report did not address costs and did not intend to. Rather, it left it to the Federal Energy Regulatory Commission. It did not give a timeline for instituting protections and it did not analyze cost estimate conflicts.

The PUC did not accept the offer of assistance by FERC's Office of Energy Infrastructure Security. In a 3-way phone call with Chair Thomas Welch, the director and me, they offered, "We have the studies, the expertise, and the staff to help you," referring to an Oak Ridge National Laboratories study. Maine has thus been deprived of key expertise.

This presents a clear and increasing danger, because the Maine Power Reliability Program, as designed, is raising our vulnerability to solar or EMP disaster, which will double in 2014 and 2015.

As we have heard from other sectors, the PUC seemed to favor the utility company's agenda for delay and disregarded much national expert input. Delay threatens our survival.

Maine had to act because Washington has been unable to. The utility companies have blocked good, bipartisan legislation in Washington for years, always calling for more studies. Maine PUC has recommended the same.

I request we put this item on the agenda for Jan. 24, to quickly review process issues with the PUC. National experts will be available next Wednesday and Thursday to comment or answer questions.

Respectfully,

Andrea

Andrea Boland

Please see attachment.

District 142 Sanford (part)

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HIGHLIGHTS OF H.P. 106 -L.D. 131 – MAINE RESOLVES 2013 CH. 45 AS ENACTED JUNE 10, 2013

Sec. 1 Examine vulnerabilities of Maine's electric transmission and distribution infrastructure to impacts of geomagnetic disturbance or electromagnetic pulse (EMP), including:

1. **most vulnerable components of the State's transmission system;**
2. **potential mitigation measures**
3. **estimate costs of potential mitigation measures and develop options for low-cost, mid-cost, and high-cost measures;**

   (Maine PUC did not perform any cost studies or develop cost options; PUC merely quoted cost figures of docket commenters and proposed a cost-study in the future that would be effectively controlled by the Maine utilities.)

4. **examine positive and negative effects of adopting a policy to incorporate mitigation measures into future construction and retrofitting.**
5. **examine potential effects of Maine adopting state mitigation policies on regional transmission**

   (Maine PUC did not make a written request to Federal Energy Regulatory Commission (FERC) for information or technical assistance, despite FERC's position as interstate regulator and an offer from FERC of such technical assistance.)

   (Maine PUC did not perform any modeling or technical assessment of effects of neutral blocking devices in Maine on regional transmission nor engage commercial modeling firms to perform such studies. Instead, Maine PUC proposes future modeling performed by Maine utilities.)

6. **develop a time frame for adoption of mitigation measures**

   (Maine PUC did not propose any time frame for mitigation measures such as Geomagnetically-Induced Current (GIC) monitors and neutral ground blocking devices. Maine PUC did not even propose a time frame for the proposed future cost study to be performed and effectively controlled by Maine utilities.)

7. **develop recommendations for cost allocations among shareholders & ratepayers.**

   (Maine PUC did not make a written request for information to FERC on tariffs, despite writing in its report, "Recovery of transmission costs is within FERC's jurisdiction. Thus, issues regarding cost recovery for GMD or EMP mitigation measures, to the extent these mitigation measures involved the transmission system, would be determined by FERC.")

Sec. 2. Monitor federal mitigation efforts

Black = Emergency Mandates addressed **Red = Maine PUC Non-Compliance** **Blue = (Non-compliance examples)**

CORONAL MASS EJECTION OF JULY 23, 2012
Assessed as having greater energy release than Carrington event of 1859,
would have endangered electric grids throughout the earth's northern hemisphere if aimed at earth

RECENT CONCERNS REGARDING THE MAINE PUBLIC UTILITIES COMMISSION
OPEGA Report No. SR-PUC-12, Sep. 2013 at pages 28-29

Excerpts from the Section on "Regulatory Capture"

"..... Often when people use the term "conflict of interest they do not mean a direct or financial conflict, but are referring more generally to a bias or shared perspective that adversely influences impartiality. We heard concerns about a revolving door between the PUC and utility companies because of ex-utility employees working at PUC, former PUC employees working directly for utilities or law firms representing utilities, and Commissioners having worked for or represented utilities prior to being appointed and/or after leaving the PUC..."

"We heard from intervenors who feel the PUC readily accepts the word of utility companies but questions evidence brought by others."

LAW WITHOUT GOVERNOR'S SIGNATURE

JUNE 10, 2013

CHAPTER

45

RESOLVES

STATE OF MAINE

IN THE YEAR OF OUR LORD

TWO THOUSAND AND THIRTEEN

H.P. 106 - L.D. 131

Resolve, Directing the Public Utilities Commission To Examine Measures To Mitigate the Effects of Geomagnetic Disturbances and Electromagnetic Pulse on the State's Transmission System

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the North American Electric Reliability Corporation has identified 2013 as a peak year of solar activity that could result in a geomagnetic disturbance; and

Whereas, the impact of a significant geomagnetic disturbance or electromagnetic pulse on the reliability of Maine's electric grid is unknown; and

Whereas, the Public Utilities Commission may be able to identify measures to protect Maine's electric grid through a focused examination; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

Sec. 1. Examination of vulnerabilities and mitigation. Resolved: That the Public Utilities Commission shall examine the vulnerabilities of the State's transmission infrastructure to the potential negative impacts of a geomagnetic disturbance or electromagnetic pulse capable of disabling, disrupting or destroying a transmission and distribution system and identify potential mitigation measures. In its examination, the commission shall:

1. Identify the most vulnerable components of the State's transmission system;

2. Identify potential mitigation measures to decrease the negative impacts of a geomagnetic disturbance or electromagnetic pulse;

3. Estimate the costs of potential mitigation measures and develop options for low-cost, mid-cost and high-cost measures;

4. Examine the positive and negative effects of adopting a policy to incorporate mitigation measures into the future construction of transmission lines and the positive and negative effects of retrofitting existing transmission lines;

5. Examine any potential effects of the State adopting a policy under subsection 4 on the regional transmission system;

6. Develop a time frame for the adoption of mitigation measures; and

7. Develop recommendations regarding the allocation of costs to mitigate the effects of geomagnetic disturbances or electromagnetic pulse on the State's transmission system and identify which costs, if any, should be the responsibility of shareholders or ratepayers; and be it further

Sec. 2. Monitor federal efforts regarding mitigation measures. Resolved: That the Public Utilities Commission shall actively monitor the efforts by the Federal Energy Regulatory Commission, the North American Electric Reliability Corporation, ISO New England and other regional and federal organizations to develop reliability standards related to geomagnetic disturbances and electromagnetic pulse; and be it further

Sec. 3. Report. Resolved: That the Public Utilities Commission shall report the results of its examination required pursuant to section 1 and the progress of regional and national efforts to develop reliability standards under section 2 to the Joint Standing Committee on Energy, Utilities and Technology by January 20, 2014. The Joint Standing Committee on Energy, Utilities and Technology may submit a bill to the Second Regular Session of the 126th Legislature based on the report.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.