



April 20, 2026

Celina Cunningham, Acting Commissioner
Maine Department of Energy Resources
62 State House Station
Augusta, ME 04333

Dear Acting Commissioner Cunningham:

Central Maine Power Company (“CMP”) appreciates the opportunity to comment on the Maine Department of Energy Resources’ (“Department”) Draft Request for Proposals for Energy Storage Projects (“Draft RFP”). CMP supports the State’s objective of advancing energy storage development in a manner that delivers net benefits to Maine ratepayers and contributes to system reliability and resilience. CMP also supports the Department’s emphasis on rigorous evaluation of costs and benefits, consistent with the statutory requirement that selected projects be reasonably likely to provide benefits to ratepayers that exceed costs.

CMP’s comments are intended to help ensure that the evaluation framework established in the Draft RFP appropriately captures the true economic impacts of proposed projects, avoids double-counting of benefits, and accurately assesses claims related to reliability, resilience, and transmission and distribution (“T&D”) system value.

I. Scope of CMP’s Comments

CMP’s comments focus on two related areas:

1. The treatment of direct and indirect costs and benefits in the quantitative evaluation framework, particularly as it relates to energy market impacts, capacity market impacts, and deferred or avoided T&D investments; and

2. The ability of proposed energy storage projects to deliver meaningful, verifiable reliability and resilience benefits, especially where such benefits are asserted as indirect benefits to ratepayers.

CMP offers these comments from its perspective as the transmission and distribution utility responsible for system planning, system operations, and reliability performance, and as the entity through which the costs and benefits of selected projects will ultimately flow to customers.

II. Costs and Benefits Evaluation

a. Direct Costs and Direct Benefits

CMP notes that under the Draft RFP's framework, direct costs are certain and contractually defined. These are the contract payments made by the T&D utilities to sellers, and these payments would be recovered from ratepayers.

In comparison, direct benefits are defined as the contract revenues that flow from the seller to the T&D utilities. With the "energy market adjustment" required under the Draft RFP, it appears that these contract revenues should already be accounted for in a bidder's bid price. Wholesale energy and capacity market revenues should reduce the bid price, and those revenues should not be counted a second time as direct benefits.

While energy storage projects may create market value through wholesale sales of energy and capacity, that value is largely monetized in advance and embedded in bid pricing. Direct costs are therefore expected to exceed direct benefits for all selected projects, with the net of those direct impacts appearing as costs to ratepayers.

b. Changes in Energy Market Prices and Capacity Market Prices

In addition to the direct benefits described above, the Draft RFP identifies changes in wholesale energy market prices and reduction in capacity market prices as indirect costs and benefits. To the extent a bidder anticipates that a storage project will suppress wholesale energy prices or reduce capacity clearing prices, those expectations should already be reflected in the bid price submitted under the RFP.

Accordingly, CMP cautions against treating changes in energy market prices or reductions in capacity market prices as independent indirect benefits unless such effects are clearly demonstrated to exceed what has already been incorporated into bid pricing assumptions. Otherwise, there is a substantial risk of double-counting value that has already been monetized by the developer and reflected in the required subsidy. Similarly, present costs should be distinguished from future savings, especially if those future savings are potential, speculative, or unknown.

c. Deferred or Avoided Transmission and Distribution Costs

CMP also notes that claims of deferred or avoided T&D costs warrant careful scrutiny. Meaningful deferral or avoidance of T&D capital investments requires detailed knowledge of system conditions, planning assumptions, asset condition, load growth, and regulatory approval processes. Developers operating independently of the utility will not be able to reliably identify deferrable investments or to quantify the magnitude and timing of potential savings. CMP urges caution in assigning indirect benefit value to such claims in the evaluation process unless and until those claimed avoided costs translate into actionable, regulatorily approvable projects.

III. Delivery of Reliability, Resilience, and T&D Benefits

To effectively defer or avoid T&D investments and to deliver tangible reliability and resilience benefits, energy storage solutions must be tightly aligned with system planning, operational control, and accountability for performance. Utility-led solutions inherently provide this alignment. The utility is responsible for T&D planning, reliability metrics, storm response, and service restoration, and operates under a regulated cost-of-service framework that ensures costs are prudently incurred and benefits are flowed through to customers. As with deferred or avoided T&D costs, CMP urges caution in assigning indirect benefit value to such claims in the evaluation process unless and until the claimed reliability or resilience benefits are quantified and the developer is responsible for achieving those benefits.

Utility ownership or control of storage assets ensures that operational decisions prioritize system needs rather than unregulated profit objectives, avoids the creation of



public policy costs, and ensures that any market revenues earned by the asset are credited directly to ratepayers.

IV. Conclusion

CMP appreciates the Department's efforts to design an RFP that advances the State's energy storage objectives while protecting Maine ratepayers. CMP encourages the Department to maintain its disciplined, transparent approach to cost-benefit evaluation that avoids double-counting of benefits and that carefully evaluates claims related to market impacts and T&D cost deferral.

CMP looks forward to continuing to work with the Department and other stakeholders as this procurement moves forward and as Maine considers the most effective pathways for deploying energy storage resources to support reliability, resilience, and long-term customer value.

Sincerely,

Craig T. Nale
Sr. Director, Regulatory Affairs
Central Maine Power Company