

Maine Department of Energy Resources
22 State House Station
Augusta, Maine 04333

April 20, 2026

Re: Draft Request for Proposals for Energy Storage Projects Pursuant to 35-A M.R.S. §10313

To Whom It May Concern:

The Alliance for Climate Transition (“ACT”), Maine Renewable Energy Association (“MREA”), and RENEW Northeast, Inc. (“RENEW”) submit this letter in response to the Department of Energy Resources (“DOER” or “Department”) invitation to comment on their Draft Request for Proposals for Energy Storage Projects (“Draft RFP”).¹ Thank you for this opportunity.

ACT’s, MREA’s, and RENEW’s members, including wind, solar, biomass, and hydro developers and generators, as well as energy storage developers and operators and suppliers of goods and services to the renewable energy industry, have a shared interest in Maine’s investment in energy storage. Energy storage systems can cost-effectively provide new capacity to the grid that offers transmission benefits and complements renewable energy resources by absorbing their excess low-cost energy and storing it for later use.² ACT, MREA, and RENEW strongly support Maine’s goals to develop at least 300 megawatts of installed storage capacity in the State by the end of 2025 and at least 400 megawatts by the end of 2030. This RFP is an important action in service of those goals. Thank you to the Department for their work to date.

ACT, MREA, and RENEW offer the following comments for DOER’s consideration.

A. Timing Considerations

We understand that DOER expects to release the RFP in Q3 2026, with a proposal deadline in Q4 2026, and that provisional awards will be made in Q1 2027. With the exception of the existing Cross Town project, as of Q3 2023 there were no storage projects larger than 14

¹ The comments expressed herein represent the views of ACT, MREA, and RENEW and not necessarily those of any particular member.

² *E.g.*, New Jersey Board of Public Utilities, NJBPU Takes Major Action to Advance Governor Sherrill’s Goals for Affordable, Clean Energy (March 5, 2026) (ESS contracts over their lifetime will generate significant consumer benefits- upwards of \$169 million- through savings driven by increased grid capacity that helps moderate wholesale electricity prices during peak demand periods).

megawatts located in Maine in the ISO New England (ISO-NE) queue. This means that any and all projects that participate in this RFP will be entering the next ISO-NE Cluster Study in October 2026, with study to commence in January 2027, and a first available draft report in October 2027. As a result, Maine will be reviewing and awarding projects that have no visibility on their interconnection, viability, status, and costs. The RFP proposals will not even have the advantage of being able to confirm and model all interconnection requests that are participating in the cluster study. Thus, the bids will essentially be blind to feasibility and costs of interconnection. To account for this, but to remain on the proposed schedule, please see our comments under “Interconnection and Delivery”.

Additionally, ACT, MREA, and RENEW support the 120-day PUC review timeline established by LD 1270 (35-A M.R.S. §10313(2)(C)) and encourage the Department to refrain from requesting a longer review period and to structure the solicitation timeline accordingly.

B. Considerations for selection of energy storage systems based on size, level on the grid, and duration.

ACT, MREA, and RENEW finds the three megawatt floor to be appropriate for attaining greater cost benefits for consumers, while allowing proposals for smaller, distribution-level resources the opportunity to complete. While distributed storage can provide valuable location-specific reliability services, larger front-of-the-meter systems (sited at the transmission level or in optimal grid locations) can deliver capacity, frequency regulation, and bulk energy shifting at a lower per-megawatt hour cost. Larger battery energy storage systems are likely to offer considerable value for consumers, as they have the lowest levelized costs among storage resources and can potentially alleviate transmission constraints that cause curtailment of existing renewable energy resources in the state.

While ACT, MREA, and RENEW appreciate and support that the three megawatt floor and other evaluation standards and consideration that favor projects that may participate in wholesale markets, we strongly encourage the Department to both expeditiously pursue a procurement that favors load-reducer projects and to implement and advocate for policy changes and utility practices that may cause such projects to not be cost effective. For example, currently, Central Maine Power Company (CMP) studies battery energy storage systems as though they're both charging and discharging at full capacity at all times. This is not consistent with how these facilities will in fact operate and triggers exorbitant upgrades and by extension, costs. MREA has advocated that the Maine Public Utilities Commission (MPUC) amend their rules so that storage systems are studied on operational schedules, consistent with nearby states. We encourage the Department to review MREA's comments in MPUC Docket No. 2025-00303 and similarly advocate for policy change, without which the benefits of distribution-connected storage may not be realized.

Finally, we agree that CMP and Versant Power should not be eligible bidders in this RFP.

C. Evaluation Criteria

ACT, MREA, and RENEW recommend that DOER assess the going-forward costs and environmental harm of peakers in the ISO New England system and the extent to which new energy storage resources can produce declines in fossil-fueled peaker use. The Draft RFP is fundamentally aimed at bringing new resources into Maine's electric grid. Therefore, new storage should not be compared to the prices for existing fossil-fueled baseload generation. New storage and existing baseload have fundamentally different revenue structures and serve different grid needs. Instead, the fairest comparison point for new storage should be new fossil-fuel peaker plants in the region as the most similar alternative new entry. The RFP should also account for the savings attained from avoiding reliability-based transmission upgrades costs and reducing the amount of renewable energy resource curtailment due to grid constraints.

Furthermore, DOER states in section 3.3.2, subpart 2, that indirect costs and benefits "may include, *but may not be limited to*" (emphasis added) avoided capacity, energy and transmission and distribution costs. The final RFP should specify all of the criteria that DOER will utilize in evaluating a project. Bids cannot be responsive to elements that are not elucidated in the RFP, and DOER should refrain from adding evaluation criteria after bids are final.

Finally, in 3.3.2 Quantitative Factors, subsection 3 (a) the Draft RFP states that socioeconomic benefits will be "independently verified" by DOER. We request that DOER clarify how it intends to independently verify those benefits.

D. Interconnection and Delivery

It is our understanding that DOER intends that projects located in the portion of the state administered by the Northern Maine Independent System Administrator (NMISA) be eligible to respond to this RFP, provided they meet all other established eligibility criteria. However, it appears that the Draft RFP inadvertently precludes projects located in NMISA territory, based on the requirement that the delivery point of eligible projects must be on a pool transmission facility located within ISO-NE territory. See Draft RFP 3.2.5.

Furthermore, we recommend the RFP be amended so that all bidders must have in order of preference either: (a) signed an interconnection agreement for capacity network service prior to the initiation of the Transitional Cluster Study; (b) be actively participating in the Transitional Cluster Study; and/or (c) have detailed plans for submitting an interconnection request for Capacity Network Resource service with ISO-NE in the 2026 Cluster Request Entry Window. Additional points should be awarded to projects with a completed system impact study or signed Large Generator Interconnection Agreement and evidence of filing or approval of key permits.

E. Contract and Pricing

Our organizations recommend 20-year contract terms as it is consistent with the expected useful life of energy storage systems. Furthermore, long-term contracts provide greater revenue certainty, reducing investor exposure to commodity market price risk. That results in lower financing costs, enabling projects to benefit consumers by bidding lower on a per unit basis.

Additionally, DOER, in sections 3.2.6 and 4.2, asks bidders to make their best estimates as to future wholesale market revenues as part of the bidding process. Given the inherent uncertainty of forecasts, coupled with structural changes in recent years to wholesale market products and the lack of robust historical price signals under new market constructs (e.g. the prompt, seasonal capacity market and Day-Ahead Ancillary Services) we recommend that DOER:

- Provide guidance to bidders on what DOER will consider reasonable bounds for expected revenue, and also;
- Permit bidders to cure bids and/or justify given forecast assumptions and inputs to DOER during the bid evaluation phase

These steps will help bidders compete on a level playing field, which will allow competitive advantages to show through, instead of being potentially obscured by divergent assumptions on dynamic markets, about which reasonable minds may differ. Some form of standardization in forecast assumptions will assist DOER in comparing bids, and make it more likely that the procurement will not be subject to attrition due to potential outlier revenue assumptions. A consensus-driven approach would produce certainty for bidders and DOER, as well as increase transparency of the solicitation process.

F. Security

Section 4.4 of the Draft RFP sets the level of development period security at \$30 per kilowatt multiplied by the contract maximum for the project. An additional \$10 per kilowatt is required once the project reaches commercial operation. ACT, MREA, and RENEW observe that this amount is significantly higher than other state procurements. NYSERDA, for example, issued an RFP for energy storage resources in 2025, with a security requirement of \$20 per kilowatt. We recommend the Department adopt the NYSERDA approach.

G. Bid Fee

We recommend the Department evaluate whether the proposed \$750 per megawatt base bid fee is appropriately scaled for a first procurement under §10313 (Draft RFP Section 5.4).

H. Standard Form Contract

Contract terms are central to project economics and financing and directly implicate the

issues raised in these comments. Bidders cannot accurately assess or price proposals without advance access to these terms. We strongly recommend the Department release a draft of Appendix A (Standard Form Contract) with a minimum 30-day comment period prior to issuing the final RFP and without extending DOER's planned timeline. We expect the MPUC pro forma contract to serve as the base document and recommend it include a conditions precedent section structured to address capacity qualification milestones as described above.

I. Energy Market Adjustment and Contract Pricing

DOER requested feedback on whether the Energy Market Adjustment calculation is clear enough to allow bidders to develop bid prices, and if there are unforeseen risks or challenges associated with the Energy Market Adjustment. In general, a strike price contract model can provide revenue certainty for project sponsors while also limiting the exposure for Maine Ratepayers to only the missing money. The Draft RFP adopts a similar model to the NYSERDA Index Storage Credit procurement, and adopts some lessons learned from New York's experience, such as allowing an escalator on the nominal Bid Price in Section 4.2. However, there are a few idiosyncrasies in the Energy Market Adjustment that could introduce some uncertainties that DOER may want to address in a final RFP, or at least should be aware of when evaluating bids.

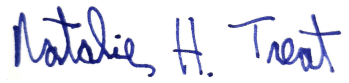
For instance, the Energy Market Adjustment utilizes the Day-Ahead Energy prices, however, storage projects will most likely realize revenue in the real-time energy markets, which can create a discrepancy between modeled revenue and actual revenue. The same dynamic appears when considering the effect of using zonal pricing for the calculation when projects receive nodal pricing signals, and that project receives granular five-minute pricing, versus the top-and-bottom priced hours in the Energy Market Adjustment.

Similar to the provisions included in [Chapter 681](#), the RFP should specify how negative pricing will be treated in the resulting contract payments.

The Draft RFP should more directly address how ancillary services revenue will or will not be included in the bid criteria. Appendix C and Section 4.2.2 appear to explicitly name energy market revenue as the price adjustment category, but Sections 4.2.1 and 3.2.6 include catch-all language that includes "Other ISO-NE Markets." Ancillary markets can be a significant, but highly dynamic, source of revenue for storage projects. Therefore, information about expected ancillary service revenue should be included in the CPPD Form, and potentially included in contract pricing adjustments.

Thank you for your consideration of our comments. Our organizations will remain engaged through the development and execution of the RFP.

Sincerely,



Natalie Hildt Treat
The Alliance for Climate Transition



Eliza Donoghue
Maine Renewable Energy Association



Francis Pullaro
RENEW Northeast, Inc.