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December 1, 2021

Dan Burgess  
Director, Governor's Energy Office  
Chair, Distributed Generation Working Group

Dear Mr. Burgess:

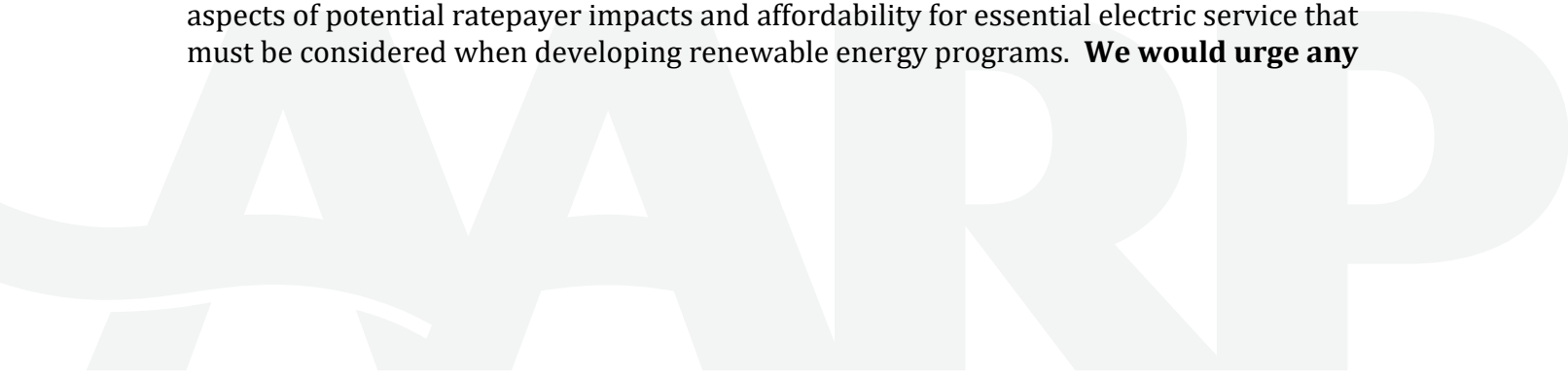
AARP Maine and the Maine Community Action Partnership offer the following input regarding the upcoming initial report that is under development pursuant to the directives of LD 936, enacted during the First Regular Session of the 130<sup>th</sup> of the Maine Legislature.

Per LD 936, the charge of this stakeholder group is to "consider various distributed generation project programs to be implemented between 2024 and 2028 and the need for improved grid planning." This group will help deliver two reports to fulfill this charge, an initial report by January 2022 and a final report by January 2023.

AARP Maine is the largest membership organization in the oldest state in the nation, with more than 200,000 members statewide. The Maine Community Action Partnership is a statewide organization dedicated to improving the quality of life of Maine people by advocating for, promoting and supporting the work of the Maine community action agencies. Any systemic and comprehensive utility policy will have significant impacts on older and lower income Mainers. This includes the issues facing this working group.

AARP Maine has followed the discussions of the Stakeholder Group and we appreciate the opportunity to have made a presentation to this Group at its November 4<sup>th</sup> meeting. Based on our understanding of the discussions of this Group, a high-level design for the next generation of distributed generation policies is under consideration. Most of the discussions to date have favorably referred to an ongoing Massachusetts distributed generation program known as the Solar Massachusetts Renewable Target (SMART) and a presentation was made by the Massachusetts program director to the Group on October 14, 2021, to explain this program.

While we recognize that the basic outline of this Massachusetts program may be altered to reflect Maine's situation, our input, for your consideration, reflects three aspects of the Massachusetts program not addressed in that presentation. These policies are key aspects of potential ratepayer impacts and affordability for essential electric service that must be considered when developing renewable energy programs. **We would urge any**



**stakeholder group, regardless of what model is under consideration, to explicitly recognize and recommend the following policies be considered as part of any Legislative review of current and future Distributed Generation statutory and regulatory mandates.**

As documented in our presentation to the Group and comments from the Office of Public Advocate and the Chair of the Maine PUC, the current full retail rate Net Energy Billing policy embedded in the current Distributed Generation Program is likely to have a significant impact on distribution service rates for CMP and Versant Power. Massachusetts has recognized this concern. We are hopeful that your initial report will reflect the following policies - all important aspects of the Massachusetts affordable energy program:

First, Massachusetts electric and natural gas utilities are required to offer a low-income discount pursuant to a separate tariff. The monthly discount is equal to approximately **30-32% of the total bill (distribution and generation)**. This discount program is funded by all customer classes through distribution rates. The program is eligible to those with a household income of 200% or less of federal poverty guidelines and enrollment is automatic once the customer provides evidence of enrollment (such as a program ID card or agency acceptance letter) in one of a dozen means-tested social assistance programs:

- LIHEAP
- Emergency Aid to Elders, Disabled, and Children (EAEDC)
- Food Stamps (SNAP)
- Head Start
- MassHealth (Medicaid)
- National School Lunch Program
- Public Housing, School Breakfast Program
- Supplemental Security Income (SSI)
- Transitional Aid to Families with Dependent Children (TAFDC)
- Veterans' Service Benefits
- Veterans DIC Surviving Parent or Spouse
- Veterans Non-Service
- Disability Pension Fuel Assistance
- Women, Infants and Children (WIC).

Applications are available online through every electric and natural gas utility. Utilities are required to notify all customers of the existence and application options of this program.

The scope and scale of this program is in stark contrast to the current Maine Low Income Assistance Program (LIAP) available to electric customers. That program is currently restricted to ONLY those enrolled in LIHEAP (thus eliminating customers enrolled in Medicaid, TANF, and other means-tested household income support programs implemented by the Maine Department of Health and Human Services) and whose household income is 150% of federal poverty guidelines or less. AARP Maine's proposal to

expand LIAP to include other means-tested social network programs as grounds for automatic eligibility is pending at the Commission under Docket No. 2021-00036.

Second, a policy directly related to the issues facing the Distributed Generation Stakeholder Working Group is that Massachusetts law explicitly requiring the development of renewable energy plans and programs must take into account "increases in rate stability and affordability for low income customers." [Green Communities Act, Acts of 2008, chapter 169, Section 20(b)(2)] This policy is even more explicit with respect to the cost shift associated with the Net Energy Billing policy embedded in Distributed Generation Programs. Massachusetts law requires, "Where the scale of on-site generation would have an impact on affordability for low-income customers, a fully compensating adjustment shall be made to the low-income discount." [Green Communities Act, Section 141]

This provision was confirmed and implemented in a recent National Grid rate case. The Massachusetts regulators specifically recognized this cost shift and ordered that the already robust low-income discount be increased by \$50 per year to reflect the adverse impact of this cost shift on these customers. The Massachusetts Commission identified "net metering lost distribution revenues" as \$23.7 million.<sup>1</sup> The utility calculated that the net costs to customers from net metering amounted to \$27.99 million in 2014 and \$53.14 million in 2015.<sup>2</sup> The costs associated with payments for excess generation to net metering customers is recovered with a specific rider or surcharge on customer bills: Net Metering Recovery Surcharge (NMRS).

Based on our review of the record, the Department finds that on-site generation has grown with an increase in costs from associated incentives (i.e., the RPS solar carve out and the NMRS). The increased costs of these incentives are included in customers' bills, including bills of low income customers. Thus, low income customers have experienced an increase in bills as a result of the growth of on-site generation. Therefore, pursuant to § 141, the Department finds it appropriate to adjust the Company's low income discount. We find that a fully compensating adjustment to the low income discount would include only the costs associated with the RPS solar carve out and the NMRS, as these costs are directly related to the growth of on-site generation. **The Department calculates the incremental increase between 2010 and 2015 for RPS solar carve out and NMRS costs for low income customers to be \$50.46, or \$4.20 per month.** In order to fully compensate low income customers for this increase, as required by § 141, the Department directs the Company in its compliance filing to this Order to increase the low income discount such that the low income discount produces an additional \$4.20 in discount for the average low income customer each month, based on all rates that are in effect when the Company's new distribution rates take effect.<sup>3</sup>

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<sup>1</sup> Massachusetts DPU, National Grid rate case (Massachusetts Electric Co. and Nantucket Electric Co.), D.P.U. 15-155, Order (September 30, 2016), Page 178, fn. 132.

<sup>2</sup> Order at Page 505, fn. 339.

<sup>3</sup> Order at 469-470.

Finally, Massachusetts law requires that solar customers pay their fair share for the reliability and essential distribution services provided to them. **Therefore, in Massachusetts, unlike Maine, the Net Energy Billing program does not reflect the full retail rate. Chapter 75 of the Acts of 2016, An Act Relative to Solar Energy (“Act”) adds G.L. c. 164, § 139(j).** The purpose of the Minimum Monthly Reliability Contribution (MMRC) is for all distribution company customers to contribute to the fixed costs that ensure the reliability, proper maintenance, and safety of the electric distribution system.

Furthermore, unlike the Maine policy, Massachusetts net metering customers are not excused from paying for approved efficiency programs and the incremental costs associated with the SMART program.

We urge the Stakeholders to recognize these policies associated with the Massachusetts programs for distributed generation and renewable energy in any recommendations for Maine’s Distributed Generation programs. **While there is widespread agreement about the need for well-designed programs to address climate change, we are failing to see awareness on the idea of energy equity.** Maine cannot afford to build our climate change programs and policies to encourage electrification without a proper consideration of the need to protect our low-income and fixed income customers We are routinely reminded we are the oldest state in the nation – we hope this stakeholder group agrees that our policies, whether energy or economic, reflect that understanding by prioritizing the impacts of these policies.

Thank you for your consideration of these comments and recommendations. We request that this communication be distributed to all the members of the DG Stakeholders Group at the upcoming meeting on December 2, 2021.

Sincerely,

Noël Bonam  
State Director  
AARP Maine

Megan D. Hannan  
Executive Director  
Maine Community Action Partnership

