

Distributed Generation Stakeholder Group Meeting

June 21, 2022

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Agenda

| Time | Agenda item |
|---------------|---|
| 9:00 - 9:10 | Welcome, introductions, and meeting logistics |
| 9:10 - 9:45 | Progress review and status updates <ul style="list-style-type: none">• Stakeholder group purpose and directives• Interim Report• Recent legislation and context |
| 9:45 - 9:55 | Public Comment |
| 9:55 - 10:05 | Break |
| 10:05 - 10:55 | Final report workplan <ul style="list-style-type: none">• Proposed timeline for development• Focused work session topics and process |
| 10:55 - 11:00 | Next steps and adjourn |



Overview of process to date

An Act To Amend State Laws Relating to Net Energy Billing and the Procurement of Distributed Generation

P.L. 2021 ch. 390

- Directs the GEO to convene the Distributed Generation Stakeholder Group with specified membership
 - Objectives: “consider various distributed generation project programs to be implemented between 2024 and 2028 and the need for improved grid planning”
- Directs submission of an interim report to the Legislature
 - Delivered December 31, 2021
 - Established areas of consensus and outline of process for 2022
- Directs submission of a final report to the Legislature by January 2023
 - Recommended design for net energy billing successor program
 - Evaluation of existing net energy billing program

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Stakeholder Group Interim Report

Areas of consensus

- Distributed generation resources will play an important role in the state's achievement of greenhouse gas reduction requirements, renewable energy requirements, and goals for continued growth of the clean energy sector.
- Distributed generation resources have the potential to produce benefits to the electric system, as well as to the state, through avoided costs as well as resilience, environmental, public health, and economic benefits. The extent to which these benefits should be incorporated as objectives of a successor program requires additional analysis and discussion.
- Any program to promote distributed generation resources should be designed in a manner that optimizes net benefits and ratepayer cost-effectiveness and considers resources developed through existing net energy billing programs – as well as considers input from a broad range of stakeholders, and specifically accounts for barriers faced by low- and moderate-income, fixed-income, and historically marginalized communities.
- The Stakeholder Group intends to continue working in 2022 to refine the approach for optimizing cost-effectiveness and the manner by which a successor program should pursue these objectives.

Interim Report of the Distributed Generation Stakeholder Group.
December 31, 2021.

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Overview of recent legislation

An Act Regarding Utility Accountability and Grid Planning for Maine's Clean Energy Future

Bipartisan legislation signed May 2, 2022 - [P.L. 2021 ch. 702](#)

- Establishes minimum service standards for T&D utilities and requires quarterly public report cards to monitor progress
- Annual evaluations with financial penalties for inadequate performance
- Strengthened financial reporting, monitoring, and audit requirements along with expanded enforcement, including possible divestiture
- Expanded whistleblower protections for employees and contractors

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An Act Regarding Utility Accountability and Grid Planning for Maine's Clean Energy Future

Bipartisan legislation signed May 2, 2022 - [P.L. 2021 ch. 702](#)

Integrated grid planning

- To facilitate transition to clean, affordable, reliable electric grid
- Updated every five years
- Incorporate multiple scenarios and forecasts
- Developed with stakeholder input and Commission oversight

Climate change planning

- To address the expected effects of climate change on the utility's assets
- Ten-year plans updated every three years
- Stakeholder input through Commission proceeding

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An Act To Reduce Volatility in the Net Energy Billing Program and To Define “Competitive Electricity Provider”

Bipartisan legislation signed April 25, 2022 - [P.L. 2021 ch. 659](#)

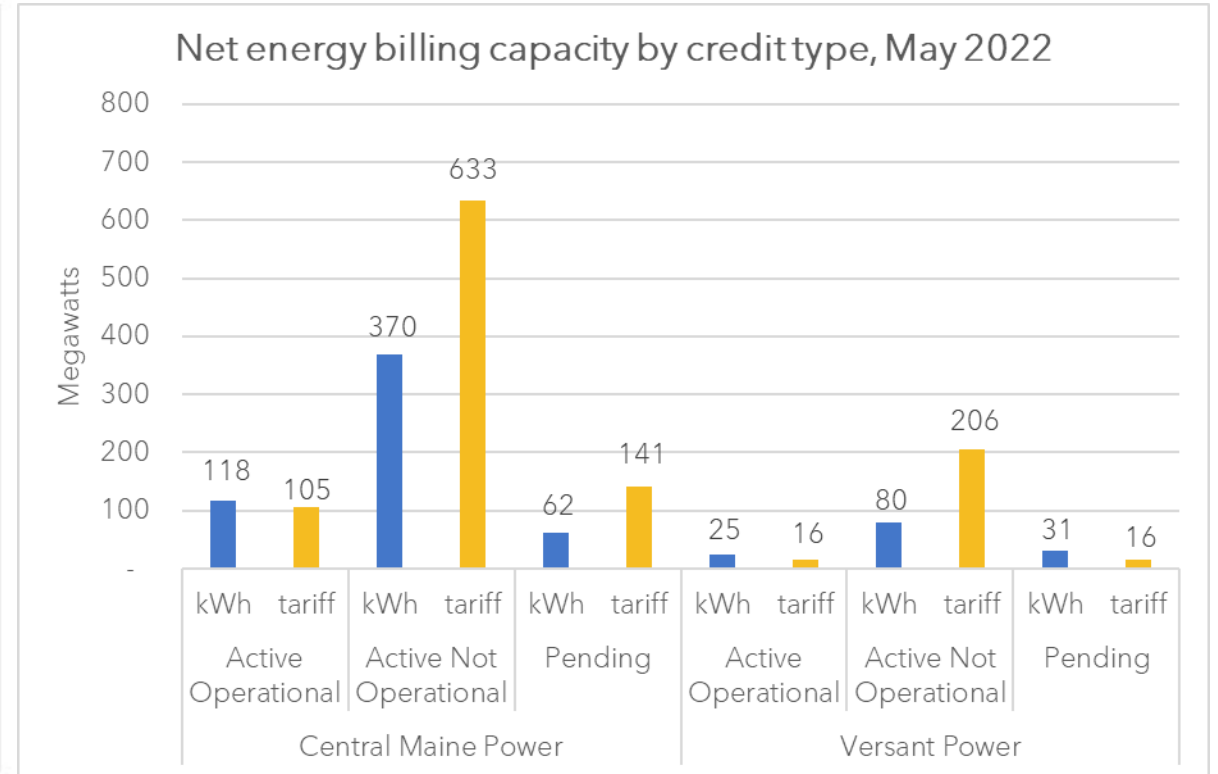
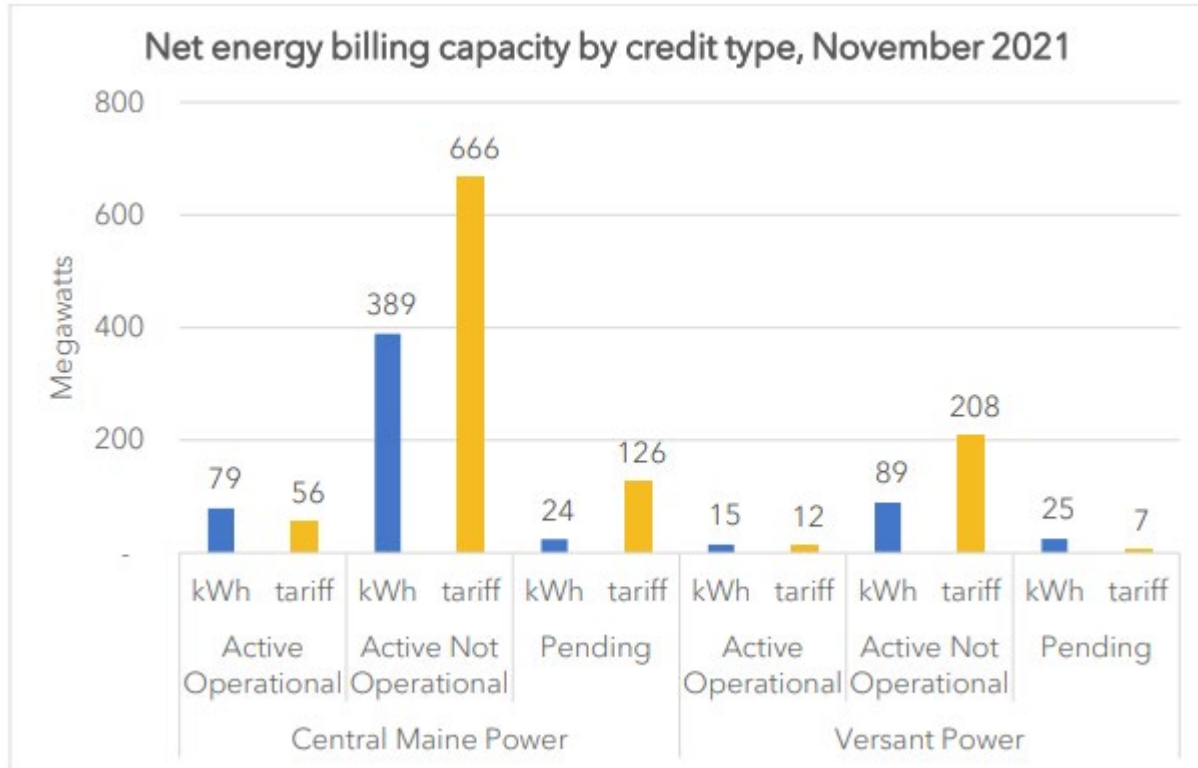
- Establishes a new tariff for net energy billing projects enrolled under 35-A M.R.S.A. §3209-B (“tariff projects”)
 - The new tariff is applicable for any project that does not commence continuous on-site construction efforts by September 1, 2022, and certify as such to the Commission
 - The new tariff is predictable for the entire life of the NEB contract, thereby reducing volatility in the program
 - Projects one megawatt or less or collocated with at least 50% of the offtake load are exempt

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Net energy billing program status update

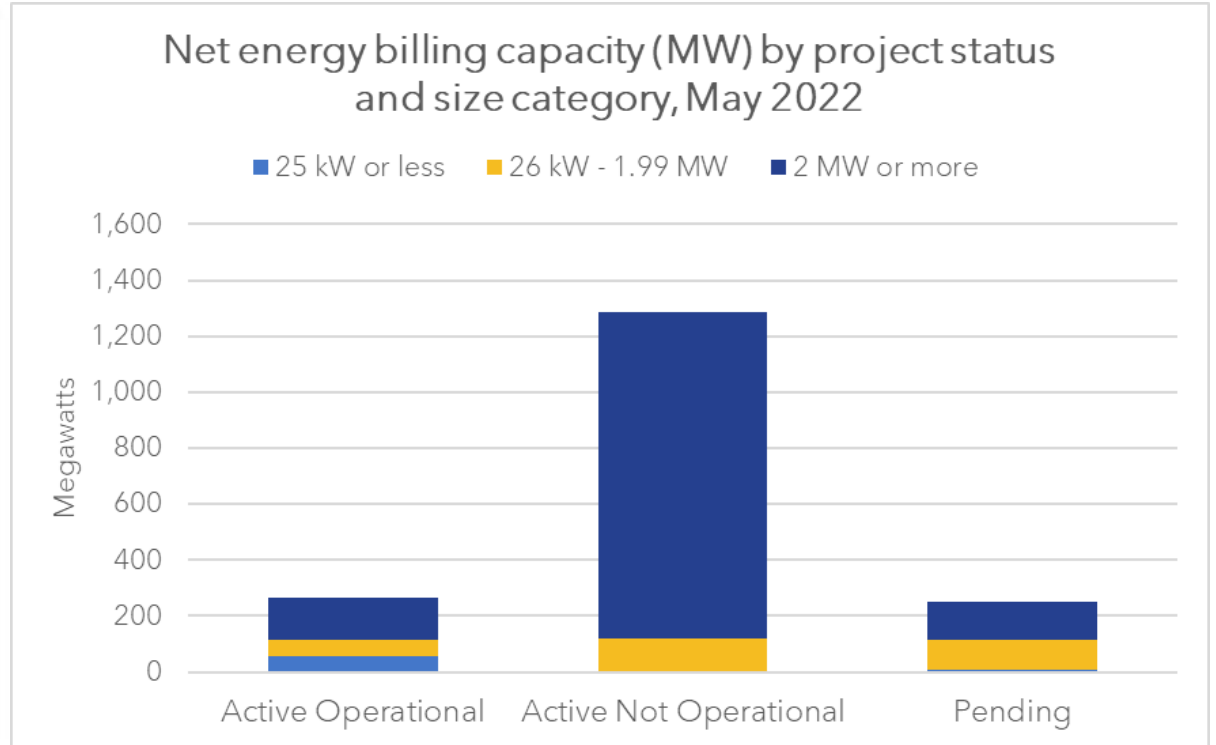
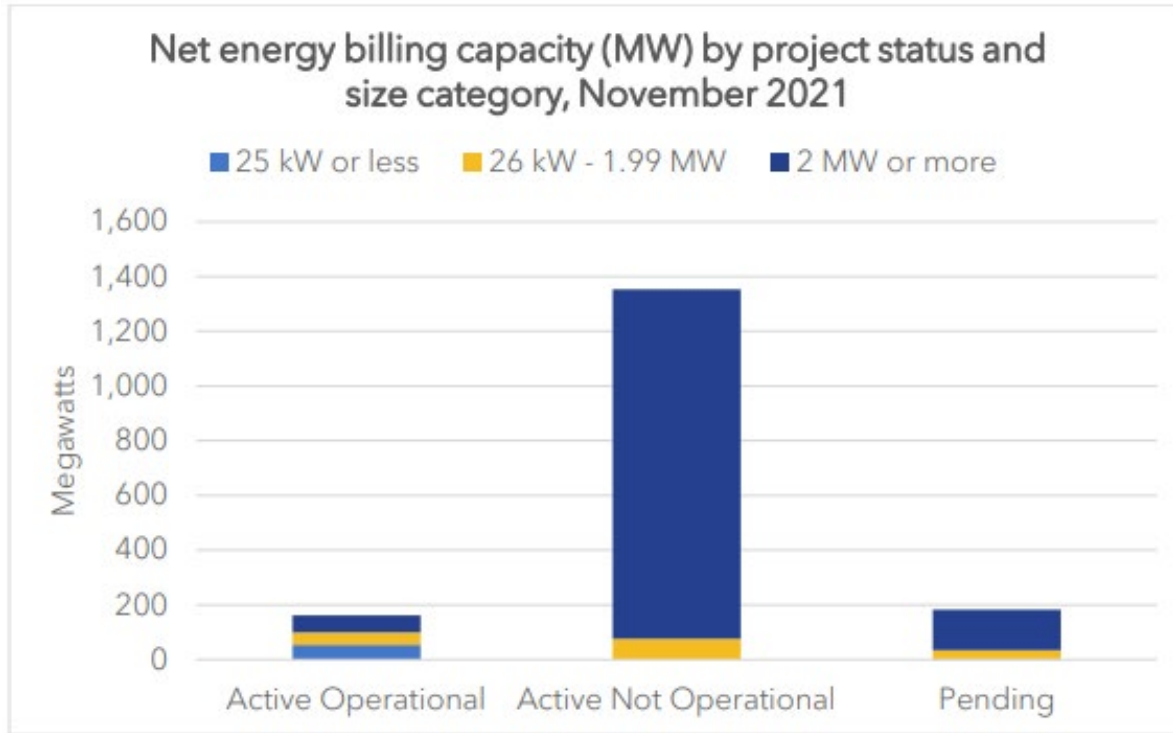
Capacity by status and credit type



[2020-00199 - Public Utilities Commission Inquiry Regarding Net Energy Billing Evaluation.](#)



Capacity by status and size

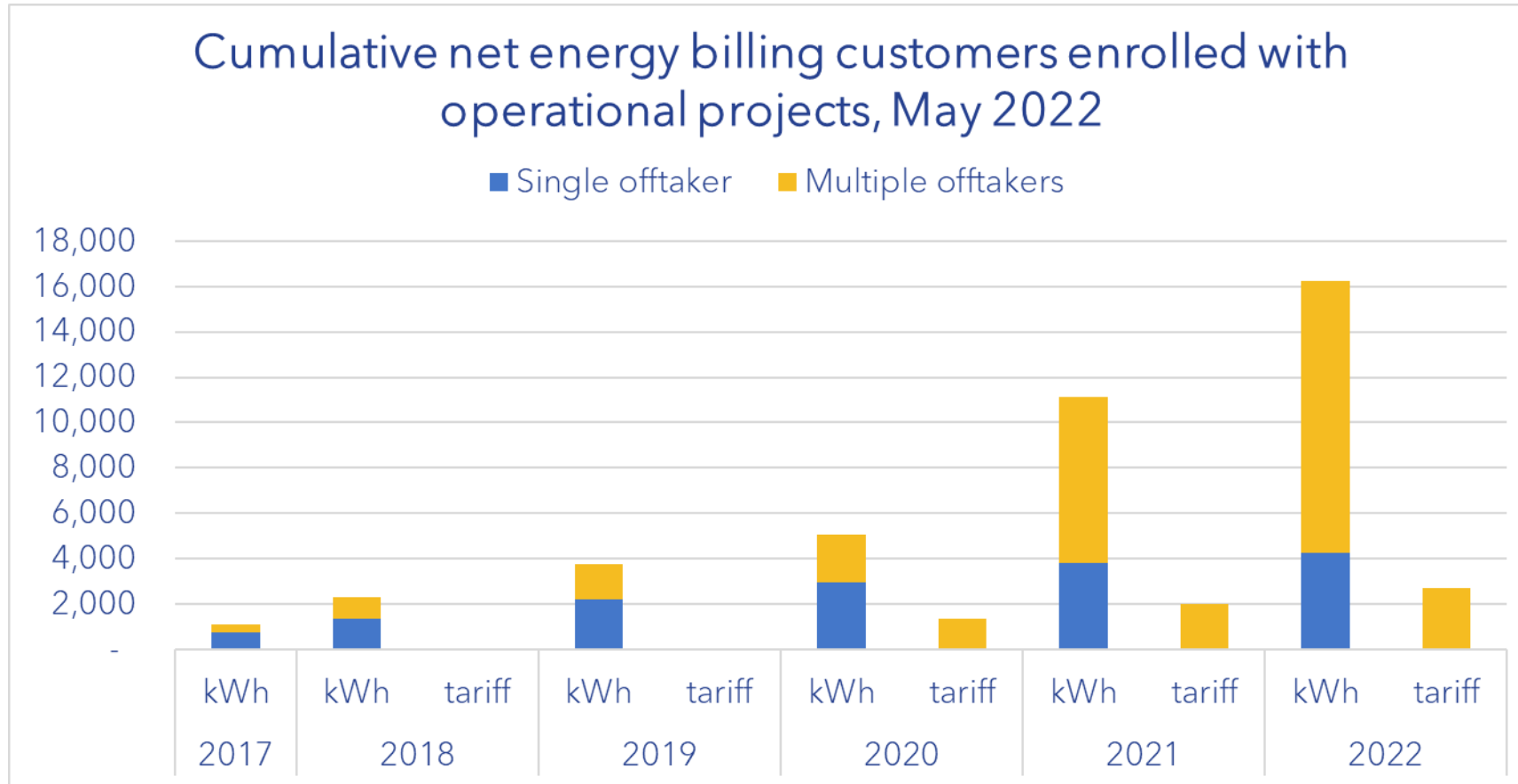


[2020-00199 - Public Utilities Commission Inquiry Regarding Net Energy Billing Evaluation.](#)

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Cumulative enrollment by program and operational year



2020-00199 - Public Utilities Commission Inquiry Regarding Net Energy Billing Evaluation. **GOVERNOR'S Energy Office**



Public comment

Cost-effectiveness test development

Discussion slide

- Consistent with the consensus interim report, the DG Stakeholder Group will develop a cost-effectiveness test for distributed generation resources
 - Prospective to guide successor program
 - Retrospective to evaluate net energy billing programs
 - Developed following established [national best practices](#)
- *What resources (data, inputs, etc.) do we anticipate needing to complete this work?*
- *What products and/or processes from other jurisdictions should inform our own?*

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Issue-focused work sessions

Discussion slide

- The interim report calls for “issue-focused work sessions” to obtain broader feedback on key elements of successor program design.
- The report discusses land use and equity and access as two priorities for work sessions. Additional topics discussed are energy storage and billing and crediting.

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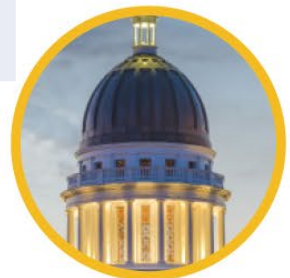
Issue-focused work sessions

Discussion slide

| Work session topic | Additional membership | Targeted outcomes |
|--------------------|--|---|
| Equity and access | <ul style="list-style-type: none">• Environmental justice and low-income advocates.• Representatives with knowledge of low-income fuel assistance and affordable housing.• Historically underrepresented groups.• Expertise in financing models that address barriers to renewable energy access. | <ul style="list-style-type: none">• Include alignment with ongoing LD 1682 process and equity subcommittee of Maine Climate Council.• Discuss possible community ownership models.• Discuss ways to expand access to socially vulnerable groups.• Discuss ways to address potential bill impacts for low-, moderate-, and fixed-income ratepayers. |
| Land use | <ul style="list-style-type: none">• Representatives from relevant natural resource agencies.• Members from the Agricultural Solar Stakeholder Group. | <ul style="list-style-type: none">• Discuss applicable land use considerations, including methods for incorporating such considerations into the design of a successor program. |

*[Interim Report of the Distributed Generation Stakeholder Group.](#)
December 31, 2021.*

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Issue-focused work sessions

Discussion slide

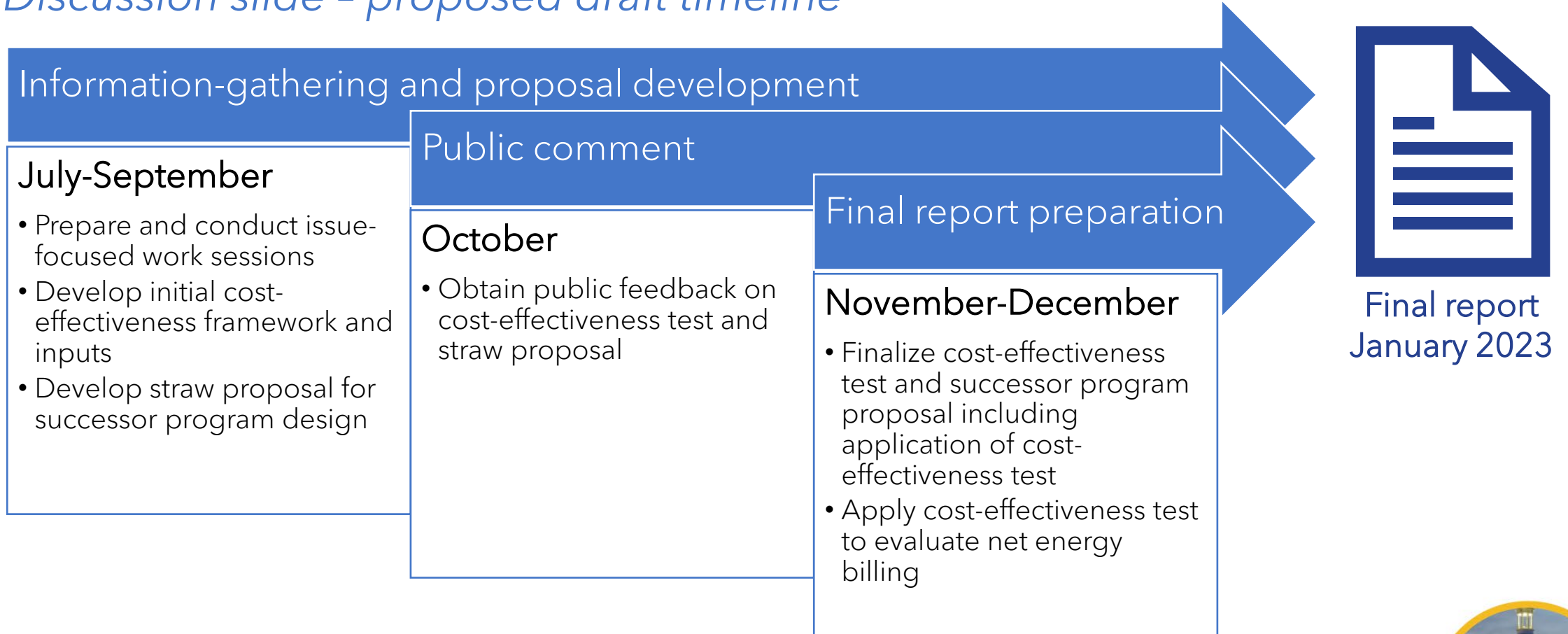
- *What information do we anticipate needing in order to successfully conduct these sessions?*
- *What information and input do we anticipate, and how do we anticipate it should inform the program design?*
- *Are there additional topics that we should consider for focused work sessions?*
- *How should we administer the sessions to ensure success?*

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DG Stakeholder Group timeline - 2022

Discussion slide - proposed draft timeline



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Next steps

Discussion slide

- Action items
- Schedule next meeting
 - Proposal: July 19, 2022, hybrid in-person/Zoom

Thank you

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