

Distributed Generation Stakeholder Group Workplan

Governor's Energy Office – September 2021

Maine's Climate and Clean Energy Objectives

Maine is making progress toward its goals of combatting climate change and advancing the deployment of clean energy within the state. These goals have been codified in statute through bipartisan action by the legislature and Governor Mills, including greenhouse gas emission reduction requirements and a renewable portfolio standard of 80% by 2030 and a goal of 100% by 2050. Maine has also established a goal of carbon neutrality by 2045. Recognizing the substantial opportunity this energy transition presents for Maine's workforce, Governor Mills has also established a goal of doubling the number of clean energy jobs in Maine to 30,000 by 2030.

In December 2020, Governor Janet Mills welcomed the Maine Climate Council's release of [Maine Won't Wait](#), a four-year plan for climate action designed with broad stakeholder input to set the state on track to meet its emissions reduction goals. *Maine Won't Wait* sets the following goals for climate action:

1. Reduce Maine's Greenhouse Gas Emissions
2. Avoid the Impacts and Costs of Inaction
3. Foster Economic Opportunity and Prosperity
4. Advance Equity through Maine's Climate Response

The energy industry in Maine is transforming rapidly in response to these climate and clean energy policy objectives. *Maine Won't Wait* identifies a strategy for reducing carbon emissions in Maine's energy sector through setting "achievable targets for cost-effective deployment of technologies such as... distributed generation, and energy storage, and outline the policies... necessary to achieve these results" (*Maine Won't Wait*, p. 58).

Net Energy Billing Programs

In 2019 [Maine law](#) changed to encourage the development of distributed generation (DG) resources.¹ The primary mechanisms driving current distributed generation development are the two net energy billing (NEB) programs: kilowatt-hour credit and tariff rate. In 2021, the Legislature included a goal of 750 megawatts (MW) of distributed generation developed under the net energy billing programs.

Kilowatt-hour credit program

This program is available to all investor-owned utility customers. Through the kilowatt-hour (kWh) credit program, NEB participants receive a credit for every kWh provided to the grid from

¹ 35-A M.R.S. §3481(5) defines a distributed generation resource as an electric generating facility with a nameplate capacity of less than 5 megawatts that uses a renewable fuel or technology under section 3210, subsection 2, paragraph B-3 and is located in the service territory of a transmission and distribution utility in the State.

their distributed generation. These credits can be used to offset future charges on a one-to-one basis during billing periods when the participant uses more energy than they generate. (35-A M.R.S. §3209-A.)

Tariff rate program

This program is available to non-residential investor-owned utility customers. Through the tariff rate program, NEB participants enter a twenty-year contract to receive dollar credits for generation provided to the grid at a rate determined annually by the Maine Public Utilities Commission (PUC). These bill credits cannot cause a customer's utility bill to decrease below \$0 in any given billing period, and any unused credits expire after 12 months. (35-A M.R.S. §3209-B.)

Net energy billing amendments and successor program

[Public Law 2021 Chapter 390 \(LD 936 - An Act To Amend State Laws Relating to Net Energy Billing and the Procurement of Distributed Generation\)](#), enacted by the 130th Legislature, sets a limit on distributed generation resources between 2 and 5 MW eligible for enrollment in net energy billing and concludes the program for these resources on December 31, 2023. The act does not modify the net energy billing programs for resources less than 2 MW. It further provides for the convening by the Governor's Energy Office of "a stakeholder group to consider various distributed generation project programs to be implemented between 2024 and 2028 and the need for improved grid planning." The stakeholder group will advise and assist in the development of two reports, the first "interim report" to be submitted by January 2022 and the second "final report" by January 2023.

This document establishes the Distributed Generation Stakeholder Group (DG Stakeholder Group), describes its objectives, and sets forth the approach to meeting these objectives.

DG Stakeholder Group Objectives and Scope

Objectives

The objectives of the DG Stakeholder Group are:

- Advise and support the development of a cost-effective successor program to foster the continued development of distributed generation in Maine following the conclusion of the net energy billing program in 2023;
- Advise on the evaluation of the net energy billing program, with a focus on applying lessons learned to inform the contributions of its successor program toward state policy objectives;
- Identify necessary resources to achieve the preceding objectives as needed.

Interim report scope

The scope of the interim report, to be filed with the EUT Committee by January 2022, will include the following tasks:

1. Discussion of the optimal framework for the successor distributed generation program, including consideration of best practices from other jurisdictions where applicable;
2. Identification and discussion of a target amount of distributed generation for the successor program sufficient to serve 7% of statewide electric load;
3. Discussion of how the design of the successor program should consider:

- a. Encouraging the deployment of energy storage;
- b. Identifying mechanisms that prioritize distributed generation that are sited to:
 - i. Limit impacts by being located on previously developed or impacted land, such as impervious surfaces, reclaimed gravel pits, capped landfills or brownfield sites, or located within municipally-designated preferred development zones;
 - ii. Serve load within a low-income to moderate-income community;
 - iii. Directly serve customer load;
 - iv. Optimize grid performance or serve a nonwires alternative function.
4. Discussion of how to support the successful development of distributed generation by small companies based in the State.
5. Discussion of a holistic grid planning process that allows for input from stakeholders and provides key actors with the ability to make strategic system operations, planning and investment decisions;
6. Identification of resources necessary to fulfill the group's objectives by January 2023.

Final report scope

The scope of the final report, to be filed with the EUT Committee by January 2023, is defined by statute and will be shaped in part by the process and results of the interim report, as well as continued stakeholder input following submission of the interim report. Elements required by statute include:

- Identification of the recommended optimum total amount of distributed generation for the program period from 2024 to 2028 expressed as a percentage of total load;
- Estimation of the benefits and costs of the net energy billing program, accounting for load growth and potential attrition;
- Identification of methods to balance impacts of net energy billing development with load growth to maximize value to ratepayers, and methods to increase the value to ratepayers of distributed generation through innovation;
- Updates to certain portions of the Maine Distributed Solar Valuation Study;²
- Consideration of methods to update the treatment of distributed generation in regional planning and regulatory processes.

Process and timeline

The primary goal of the stakeholder group will be to advise and assist the GEO in developing the two reports required to achieve the group's objectives with input from stakeholders and the public. The interim report will be delivered to the Legislature in January 2022, and the final report in January 2023.

Meetings

The Stakeholder Group's meetings during the 2021 calendar year will take place on a frequency sufficient to achieve the group's objectives. Additional meetings in 2022 will be announced following submission of the interim report. Due to the COVID-19 pandemic all meetings will be held virtually via the Zoom platform until such a time as the GEO determines in-person meetings may be suitable in accordance with relevant guidance. All meetings will include opportunities for members of the public to

² https://www.maine.gov/mpuc/electricity/elect_generation/documents/MainePUCVOS-FullRevisedReport_4_15_15.pdf

provide input and will seek to engage a diverse range of perspectives necessary to ensure equitable, beneficial recommendations.

Final detailed agendas including potential presenters, discussion periods, previous meeting summaries, and advance preparation materials will be provided by the GEO in advance of each meeting. GEO staff will prepare a summary of each meeting including stakeholder group members present and substantive discussion points.

Decision-making

Decisions by the Stakeholder Group are advisory and represent recommendations for the stakeholder report. The Stakeholder Group will strive to make decisions by consensus, defined by broad agreement among members: all or nearly all members can live with the proposed recommendation. Where not possible, recommendations supported by the majority will be advanced and other perspectives will be noted. All Stakeholder Group members will be provided the opportunity to submit supplemental material to the interim report describing their views on any matter discussed by the stakeholder group.

Membership

The following stakeholder group members are appointed by the GEO and represent a range of key perspectives.

Member	Affiliation
Dan Burgess , Chair	Governor’s Energy Office
Philip Bartlett	Public Utilities Commission
Andrew Landry	Office of the Public Advocate
Anthony Buxton	Industrial Energy Consumers Group
Phelps Turner	Conservation Law Foundation
Amy Winston	Coastal Enterprises, Inc.
Jason Rauch	Central Maine Power
Arielle Silver Karsh	Versant Power
Bob Cleaves	Dirigo Solar
Fortunat Mueller	ReVision Energy
Jessica Robertson	Borrego
Kaitlin Kelly O’Neill	Coalition for Community Solar Access
Jeremy Payne	Maine Renewable Energy Association
Sharon Klein	University of Maine School of Economics
Neal Goldberg	Maine Municipal Association

Public engagement

Robust public engagement and input is necessary to the successful achievement of the stakeholder group’s objectives.

Stakeholder group meetings

All stakeholder group meetings will be noticed in advance on the State of Maine’s Public Calendar and will be open to attendance by the public either virtually or in-person depending on the meeting format. Agendas and relevant materials from each meeting will be posted publicly on www.maine.gov/energy.

Public comment

Opportunities for public comment will be provided at each stakeholder group meeting and public input will be reflected in the stakeholder group's interim report. In order to provide opportunities for public engagement outside the regularly scheduled stakeholder group meeting times, the GEO, in coordination with members of the stakeholder group, may facilitate up to two public listening sessions to obtain input from relevant stakeholders on key areas of the interim report. The stakeholder group's draft reports will be posted publicly on www.maine.gov/energy for a comment period prior to finalization. In addition, members of the public are invited to submit written comments to the stakeholder group at any time by emailing ethan.tremblay@maine.gov.