

December 28, 2021

AARP MAINE COMMENTS:

INTERIM REPORT OF THE DISTRIBUTED GENERATION STAKEHOLDERS
GROUP

AARP Maine has reviewed the “Final Draft for Discussion” posted for the December 29th meeting of the Distributed Generation (DG) Stakeholders Group. We appreciate the opportunity to provide comments to the Stakeholders throughout its development of the Final Report.

Our Comments reflect our ongoing concerns about the need for this Report to reflect and consider the implications of the current and future DG policies on costs imposed on electricity ratepayers. While benefits are important and must be documented and measured, the costs of these policies are well documented and, based on the Public Utilities Commission’s estimates, likely to contribute to unaffordable electricity prices for essential distribution services.

Overall, our concerns contribute to our primary recommendation: **The Report should reflect the obligation to reduce the burden on lower income customers from the rate impacts of the current and future DG programs as reflected in AARP Maine’s Comments submitted on December 1, 2021, namely the need to expand enrollment in the Low Income Assistance Program (LIAP), link the level of the LIAP benefit to future DG related rate increases, and support the need for a reform to the current full retail rate net energy billing policy.** While AARP Maine appreciates the opportunity to consult with representatives of low income and vulnerable customers in the 2022 Report, we recommend Stakeholders recognize the need for

reform to the current program to avoid hampering the public's approval of DG development and negatively impacting carbon and climate goals in the years to come.

Page 5, "Initial Areas of Consensus"

The second bullet makes claims about the benefits of distributed generation that have not been documented or determined to be measurable in any formal proceeding or process. While AARP Maine agrees that distributed generation resources "have the potential" to produce benefits, the process by which such "potential" must be determined and reflected in future DG investments. Ratepayer subsidies should also be identified as a crucial step for the evaluation of current and future DG programs. Furthermore, the lack of meaningful analysis for the current DG program authorized by the 2019 legislation (and the amendments adopted in 2020) contributes to the question as to whether additional DG resources are necessary or affordable to achieve an optimal grid portfolio. We urge the Stakeholders to explicitly recognize the importance of a formal process to identify DG benefits for the current program prior to embarking on designing a "successor" program.

The third bullet uses the phrases "optimize net benefits" and "ratepayer cost-effectiveness." We interpret these to reflect an obligation to consider the risks associated with short term costs (in the form of distribution rate increases) and the risks associated with longer term benefits that could benefit the distribution system in the form of avoided rate increases. Again, such an analysis has not yet been done in a publicly accessible manner or with opportunity for formal fact finding and conclusions that should drive our policy development at the Legislature. We ask that a specific acknowledgement of this recommended process be included in the Report.

Furthermore, the need to focus on the 'barriers' to the participation for lower income, fixed income, and historically marginalized communities should be viewed as a realistic opportunity to

lower overall distribution rates and bills over a reasonable period of time. Our concern in this regard is due to the Commission’s conclusion that the costs of the current DG program is likely to offset the shorter-term bill reductions even for those customers enrolled in these programs.

Pages 7-10, “Net Energy Billing Results”

The presentation of the scope and scale of the current DG program should include the rate impacts forecasted by the Public Utilities Commission as those rate impacts will have a significant impact on the development of current and future DG programs. Specifically, the following chart should be included in the Report as presented by Chairman Bartlett to the Committee on Energy, Utilities and Technology on December 1, 2021:

NEB Rate Impact due to Standard Offer

<u>Estimate with Current Rates</u>	<u>Estimate with new Standard Offer Rates*</u>
750MW = \$94M/yr.	750MW = \$165M/yr. <u>\$71M increase</u>
1,667MW = \$210M/yr.	1,667 MW = \$366M/yr. <u>\$156M Increase</u>
25% Delivery Rate Increase	44% Delivery Rate Increase

*These estimates reflect the new standard offer rates effective January 2022 and their impacts to all NEB Programs. They also reflect a 2 cent/kwh increase in T&D rates.

AARP Maine appreciates the discussion in the draft Report on holistic grid planning, the potential options for consideration of the successor DG program, and the process to engage with the public in the development of the final Report in 2022.

Thank you for consideration of our Comments.

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