

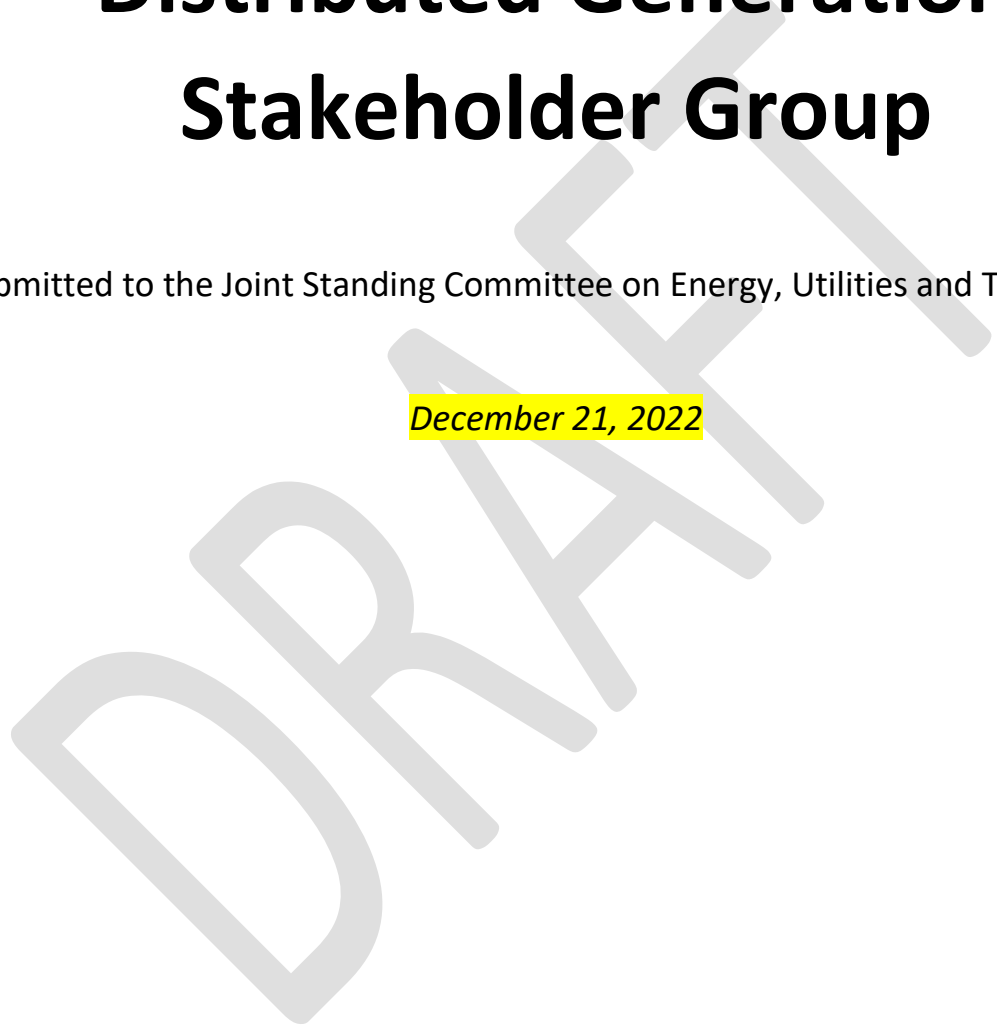
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FINAL DRAFT FOR DISCUSSION

Interim Report of the Distributed Generation Stakeholder Group

Submitted to the Joint Standing Committee on Energy, Utilities and Technology

December 21, 2022



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22 **List of acronyms and terms**

CHP	Combined heat and power
DG	Distributed generation
GEO	Governor’s Energy Office
kW	Kilowatts
kWh	Kilowatt-hours
MRS	Maine Revised Statutes
MURRDI	Maine Utility Regulatory Reform/Decarbonization Initiative
MW	Megawatts
NEB	Net energy billing
PUC	Public Utilities Commission
The Act	P.L. 2021 ch. 390 (L.D. 936 An Act To Amend State Laws Relating to Net Energy Billing and the Procurement of Distributed Generation)

1 Introduction

2 The 130th Legislature enacted P.L. 2021 ch. 390 (LD 936 – An Act To Amend State Laws Relating
3 to Net Energy Billing and the Procurement of Distributed Generation, hereafter “the Act”) on
4 July 1, 2021. The Act established additional eligibility requirements for distributed generation
5 resources enrolling in the net energy billing programs established by 35-A MRS §3209-A and
6 §3209-B, repealed the requirement that the Maine Public Utilities Commission (PUC) conduct
7 procurements for distributed generation resources under 35-A MRS §3482, and directed the
8 Governor’s Energy Office (GEO), in collaboration with the PUC, to convene a stakeholder group
9 to “consider various distributed generation project programs to be implemented between 2024
10 and 2028¹ and the need for improved grid planning.” The Act further directed the submission of
11 two reports by the stakeholder group, the first interim report to be submitted by January 1,
12 2022, and the second final report to be submitted by January 1, 2023.

13 Pursuant to the requirements set forth by the Act, the GEO, in collaboration with the PUC,
14 formed the Distributed Generation Stakeholder Group (the Stakeholder Group). The
15 Stakeholder Group submits this interim report to the Joint Standing Committee on Energy,
16 Utilities and Technology consistent with the requirements of the Act.

17 Stakeholder group membership

18 The following individuals served as members of the Stakeholder Group. In addition to the input
19 of its members, the Stakeholder Group benefited from expertise and perspective provided by
20 independent experts and advocates that presented during the Stakeholder Group’s meetings
21 and members of the public that weighed in through written and verbal comments. Written
22 comments provided throughout the stakeholder process to date, as well as presentations from
23 meetings and other materials are available online at [https://www.maine.gov/energy/studies-
24 reports-working-groups/current-studies-working-groups/dg-stakeholder-group](https://www.maine.gov/energy/studies-reports-working-groups/current-studies-working-groups/dg-stakeholder-group).

- 25 ● Dan Burgess, Governor's Energy Office
- 26 ● Philip Bartlett, Public Utilities Commission
- 27 ● Andrew Landry, Office of the Public Advocate
- 28 ● Anthony Buxton, Preti Flaherty Beliveau & Pachios on behalf of Industrial Energy
29 Consumers Group
- 30 ● Bob Cleaves, Dirigo Solar
- 31 ● Neal Goldberg, Maine Municipal Association
- 32 ● Arielle Silver Karsh/David Norman, Versant Power
- 33 ● Sharon Klein, University of Maine School of Economics
- 34 ● Fortunat Mueller, ReVision Energy
- 35 ● Kaitlin Kelly O'Neill, Coalition for Community Solar Access
- 36 ● Jeremy Payne, Maine Renewable Energy Association

¹ The Stakeholder Group referred to this future program generally as the “successor program,” and continues the use of that term throughout this report.

- 1 ● Jason Rauch, Central Maine Power
- 2 ● Jessica Robertson, Borrego
- 3 ● Phelps Turner, Conservation Law Foundation
- 4 ● Amy Winston/Neils Zellers, Coastal Enterprises, Inc.

5 Stakeholder group process

6 The Stakeholder Group held eight meetings between September and December 2021 to
7 develop this interim report. All meetings were open to the public and included periods for the
8 public to provide comment. Meetings were held virtually due to the COVID-19 pandemic.

9 Initial meetings of the Stakeholder Group focused on gathering information and input related to
10 the interim report scope. These included presentations from Barbara Alexander of AARP Maine;
11 Sarah Haggerty of Maine Audubon; Lon Huber of Duke Energy; Todd Olinsky-Paul of Clean
12 Energy States Alliance; Karl Rabago of Rabago Energy; Dr. Richard Silkman of Competitive
13 Energy Services; and Eric Steltzer of the Massachusetts Department of Energy Resources.
14 Subsequent meetings concentrated on discussing areas of emerging consensus and developing
15 this initial report. The Stakeholder Group focused its discussions in response to specific
16 requirements set forth by the Act, while identifying both additional or related considerations
17 that the Stakeholder Group agreed warrant further exploration through a formal process in
18 continuation of the Stakeholder Group’s work to complete the final report due in 2023, as well
19 as areas where ongoing or related efforts are already underway. Therefore, the Stakeholder
20 Group structures this initial report in the following sections.

Report Section	Summary
Initial areas of consensus	The Stakeholder Group agreed to a set of consensus areas that will guide the Group’s continuing work as directed by the Act.
Current results of net energy billing programs	The Stakeholder Group includes this information to provide a status update on the results of the current net energy billing programs.
Holistic grid planning	The Stakeholder Group received presentations from multiple experts with information regarding various aspects of holistic grid planning processes, and also discussed relevant ongoing and upcoming efforts including proceedings before the Public Utilities Commission, recent stakeholder processes, and future work recommended by the Maine Climate Council. The Stakeholder Group agreed to uplift much of this ongoing work through this report, and to prioritize aligning where possible with existing and future efforts in this area.
Successor program framework	The Stakeholder Group discussed various considerations related to the overall design of a successor program. While the Stakeholder Group agrees additional engagement is needed to finalize a proposal for the successor program, this report documents progress to date.

Successor program design process The Stakeholder Group recognizes a need for additional engagement, both within the Stakeholder Group as well as with additional stakeholders who may have specific input on relevant aspects of the successor program, prior to advancing a proposal in 2023 consistent with the Act. Therefore, the Stakeholder Group sets out in this report a process by which it intends to achieve such a proposal and recommends actions needed to support it.

1

2 Initial areas of consensus

3 The Stakeholder Group’s discussions during development of this interim report were wide-
4 ranging, covering topics such as program structure, best practices from other jurisdictions, costs
5 and trade-offs between development of distributed generation and both other generation
6 options as well as other aspects of state policy. In order to ensure future efforts are additive to
7 those that took place during development of this interim report and to summarize general
8 principles where the Stakeholder Group found agreement, this section describes areas where
9 all members of the Stakeholder Group found themselves in general agreement with one
10 another.

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

27 Current results of net energy billing programs

28 In 2019 Maine law changed to encourage the development of distributed generation (DG)
29 resources, which are defined by statute as an electric generating facility with a nameplate
30 capacity of less than 5 megawatts (MW) that uses a renewable fuel or technology and is located
31 in the service territory of a transmission and distribution utility in the State (35-A M.R.S.
32 §3481(5)). The primary mechanisms driving current distributed generation development are the
33 two net energy billing (NEB) programs: kilowatt-hour credit and tariff rate. In 2021, through

1 passage of the Act the Legislature placed a limit on projects eligible to participate and included
2 a goal of 750 MW of distributed generation developed under the net energy billing programs.

3 Kilowatt-hour credit program

4 This program is available to all investor-owned utility customers. Through the kilowatt-hour
5 (kWh) credit program, NEB participants receive a credit for every kWh provided to the grid from
6 their distributed generation. These credits can be used to offset future charges on a one-to-one
7 basis during billing periods when the participant uses more energy than they generate. (35-A
8 M.R.S. §3209-A.)

9 Tariff rate program

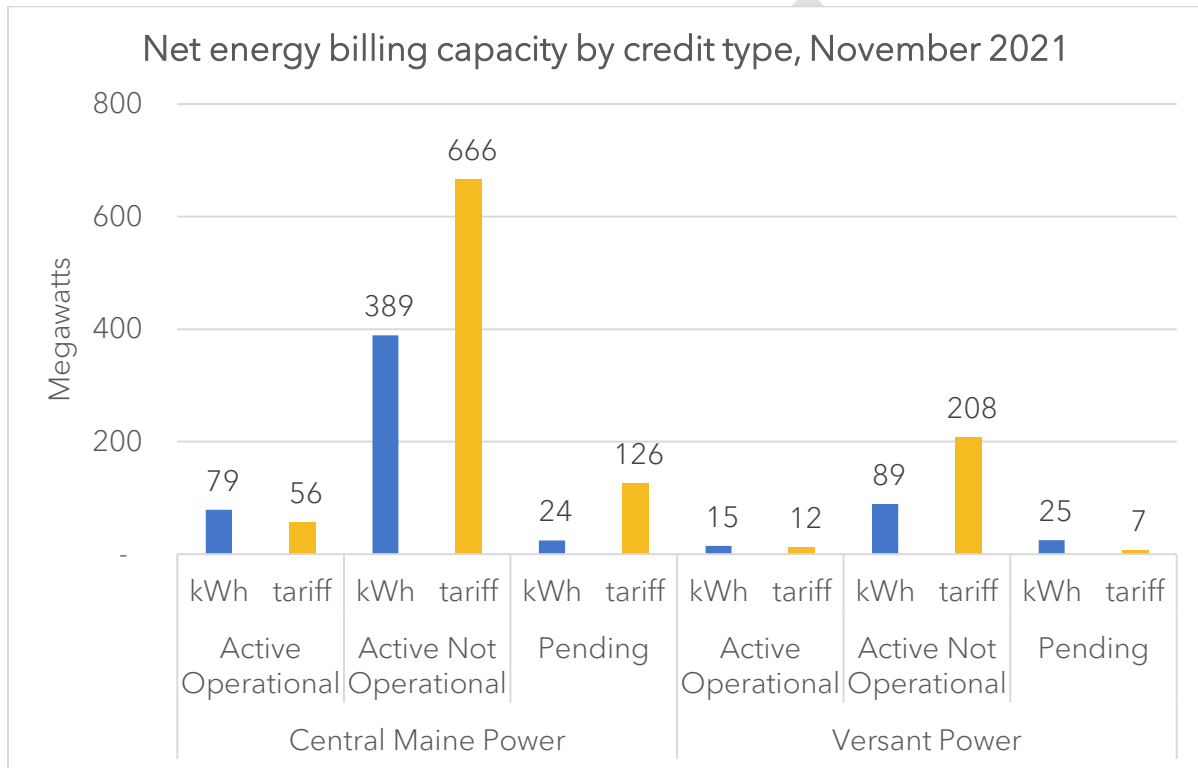
10 This program is available to non-residential investor-owned utility customers. Through the tariff
11 rate program, NEB participants enter a twenty-year contract to receive dollar credits for
12 generation provided to the grid at a rate determined annually by the Maine Public Utilities
13 Commission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

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1 Net energy billing results

2 The net energy billing programs have stimulated substantial development of distributed
 3 generation resources, driven largely by solar photovoltaic projects. As of November 30, 2021, a
 4 total of 1,696 megawatts (MW) of distributed generation resources were enrolled in or seeking
 5 enrollment in the programs. These resources are summarized by utility and program type in
 6 **Figure 1**. "Active Operational" projects are currently operating. "Active Not Operational"
 7 projects have executed a net energy billing agreement but are not yet operating, and "Pending"
 8 projects have applied for a net energy billing agreement but have not yet executed it.



9

10 *Figure 1 - Net energy billing capacity (megawatts) by utility and program credit type. A total of*
 11 *161 megawatts are currently operational, while 1,353 megawatts have executed contracts and*
 12 *another 182 megawatts have applied for contracts. Source: Central Maine Power and Versant*
 13 *Power monthly reports through November 30, 2021 filed in docket 2020-00199.*

14

1 The majority of net energy billing capacity is associated with solar projects, although the
 2 programs also enrolled a number of largely pre-existing renewable resources as summarized in
 3 [Table 1](#). There is broad agreement that developing resources (those in the Active not
 4 operational and Pending categories) may face considerable attrition due to a variety of factors
 5 not easily quantified.

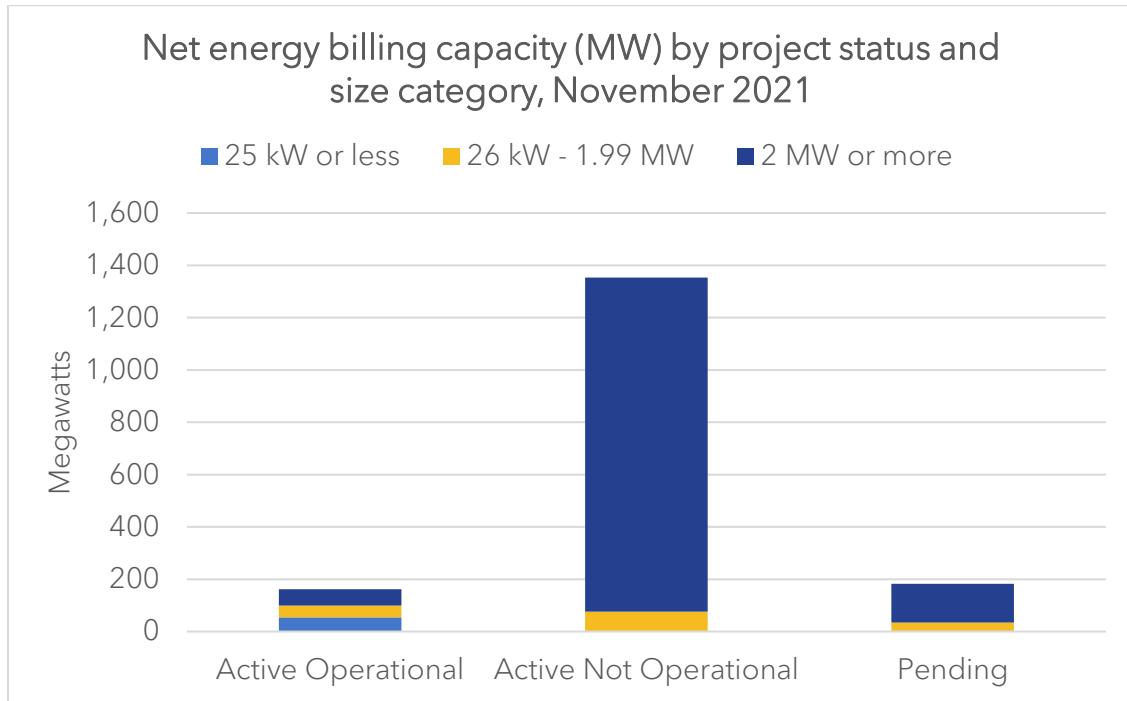
6 *Table 1 - Net energy billing resources by project status and resource type, November 2021.*
 7 *Source: Central Maine Power and Versant Power monthly reports through November 30, 2021*
 8 *filed in docket 2020-00199.*

Net energy billing resources	Total capacity (MW)
Active Operational	161.4
Hydro	29.1
Solar	124.5
Wind	5.5
Biofuels and CHP	2.4
Active Not Operational	1,353.1
Solar	1,353.1
Pending	182.0
Hydro	0.4
Solar	181.3
Biofuels and CHP	0.3
Total	1,696.5

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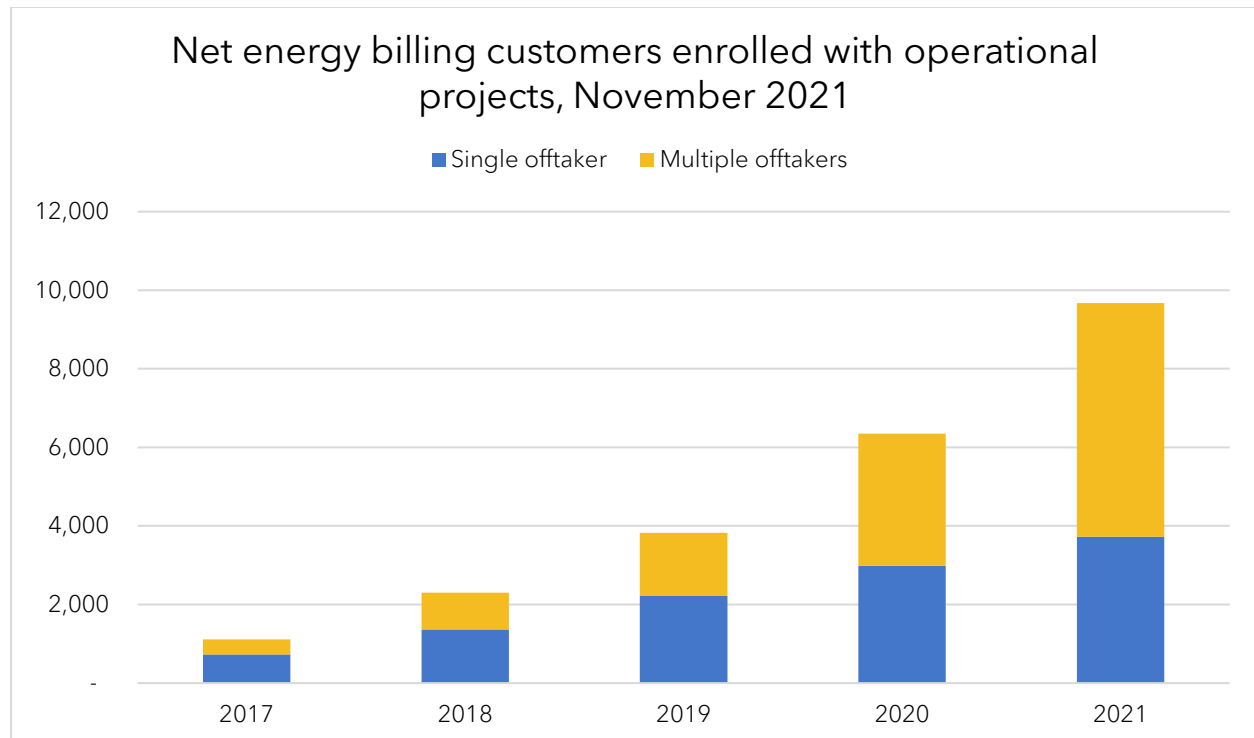
1 **Figure 2** below illustrates the information summarized in **Table 1** with the addition of size
2 categories. Projects 25 kW or less are likely to be residential rooftop solar or similar scale
3 resources and are eligible for expedited interconnection under Chapter 324 of the PUC’s rules.
4 Projects less than 2 megawatts are eligible for continued enrollment in existing net energy
5 billing programs and are not subject to the additional requirements and cap for net energy
6 billing projects between 2 and 5 megawatts established by the Act.²



7
8 *Figure 2 - Net energy billing capacity by project size and status. 94% of active not operational*
9 *project capacity is associated with projects between 2 and 5 megawatts. Source: Central Maine*
10 *Power and Versant Power monthly reports through November 30, 2021 filed in docket 2020-*
11 *00199.*

12
² See P.L. 2021 ch. 390 section 1.

1 Utility customers who receive net energy billing credits through either of the net energy billing
2 programs are commonly referred to as “oftakers.” Multiple oftakers may share the output of a
3 single net energy billing project as described above. [Figure 3](#) illustrates the number of oftakers
4 associated with operational net energy billing projects by year.



5
6 *Figure 3 - Total (cumulative) net energy billing project subscribers, or "oftakers," by year.*
7 *Includes both kilowatt-hour credit and tariff credit programs. Source: Central Maine Power and*
8 *Versant Power monthly reports through November 30, 2021 filed in docket 2020-00199.*

9 The above-referenced additional requirements created by the Act for net energy billing projects
10 between 2 and 5 megawatts appear to have driven a reduction in planned capacity for a
11 number of solar projects currently seeking interconnection and presumably enrollment in net
12 energy billing. As of October 22, 2021, at least 46 projects seeking interconnection to Central
13 Maine Power’s distribution system had reduced their capacity from more than 2 megawatts to
14 less than 2 megawatts (virtually all to approximately 1.99 megawatts).

15 [Holistic grid planning](#)

16 The Stakeholder Group discussed how a defining challenge of the present moment is that the
17 power sector has embarked upon an era of rapid and transformational change, both physically
18 and operationally, but the grid planning paradigm has only just begun to transform alongside it.
19 Grid planning must be transformed to serve the needs of the power sector of the future, but at
20 the same time must continue to provide safety and reliability, while accommodating the energy
21 transition in real time. The Stakeholder Group is similarly charged with two parallel tasks: to

1 envision a new, holistic grid planning process, and to design a new distributed generation
2 program before the results of that holistic grid planning process are known.

3 The Stakeholder Group is charged by the Act with two sets of recommendations related to
4 holistic grid planning: first, how the state should undertake the adoption and implementation
5 of a forward-looking, holistic grid planning process; and second, how information from a holistic
6 grid planning process can be included to improve a distributed generation project program.

7 Adoption and implementation of holistic grid planning

8 Ideas discussed by the Stakeholder Group regarding how the State should undertake the
9 adoption of a forward-looking, holistic grid planning process included initiation of the
10 Governor’s Energy Office-led power sector transformation process recommended by the Maine
11 Climate Council;³ review of the findings of the Public Utility Commission-led grid modernization
12 docket (2021-00039), in particular the consultant report due in February 2022;⁴ and an
13 intention by the Stakeholder Group to build upon the work of the Maine Utility/Regulatory
14 Reform Initiative, which released a report including recommendations for a holistic grid
15 planning process produced through a robust stakeholder process in April 2021.⁵

16 In discussing how the State should undertake the implementation of a forward-looking, holistic
17 grid planning process, members of the Stakeholder Group raised options including
18 implementation of a PUC-led holistic grid planning process, based on the Stakeholder Group’s
19 revisions of the process outlined in the MURRDI report, that includes opportunity for public
20 review and comment; beginning implementation expediently, building upon the ongoing work
21 in PUC docket 2021-00039 to investigate the current state of grid operation and planning;
22 potential funding for the expansion of staff capacity at both the GEO and the PUC to include
23 technical staff dedicated to grid planning; a potential requirement that the electric distribution

³ According to *Maine Won’t Wait*, the Maine Climate Council’s four-year plan for climate action released on December 1, 2020, this power sector transformation process “will be managed by the Governor’s Energy Office in coordination with the Maine Public Utilities Commission. Areas for consideration should include: utility structure, load management, data and information access, grid modernization and expansion, non-wires alternatives, interconnection, distributed energy resources, aggregation, equitable cost allocation, and rate design, integrated grid planning, regional and local electricity markets, regional collaboration, reliability and resiliency, and changes in law and regulation.”

⁴ According to the February 18, 2021 Public Utility Commission’s Notice of Summary Investigation in that docket, the Commission “will conduct an in-depth, structured, and comprehensive examination of the future design and operation of the electric distribution system in Maine to accommodate both the integration and operation of increasing amounts of DER and the potential for substantial load growth resulting from electrification efforts to meet climate change initiatives and objectives.”

⁵ <https://www.betterenergy.org/wp-content/uploads/2021/04/MURRDI-Stakeholder-Process-Summary.pdf>

1 companies file ten-year grid modernization plans to be updated on a rolling basis every three
2 years addressing the topics enumerated in section 1.1 of the MURRDI report; and how potential
3 funding sources for grid investments could include fees paid by interconnecting customers,
4 utility cost recovery from ratepayers, allocations from the general fund, and/or federal
5 infrastructure funding.

6 Informing the design of a successor program with holistic grid planning

7 The Stakeholder Group discussed how while it is broadly true that distributed generation
8 provides different value to the grid depending on its location on the grid, designing a DG
9 program around this concept can be highly complex, as the locational value of DG is ever-
10 changing. At even the most basic level, any price signal incorporated into an incentive program
11 will likely attract DG development to that area until the need is satisfied, and if the price signal
12 is not removed, DG development could continue until new problems are created due to over-
13 saturation. The Stakeholder Group discussed whether, based on the current level of planning
14 and regulatory capacity at the PUC, the GEO, and the investor-owned utilities, incorporating
15 this type of price signal into a DG program would be a challenging endeavor.

16 However, the Stakeholder Group did discuss the manner in which more holistic grid planning
17 approaches could shape a successor program. For example, if the successor program were
18 structured as an annual procurement, a holistic grid planning process could inform a set of
19 location-based incentives or disincentives that are incorporated into the procurement scoring
20 criteria. A similar adjustment could be applied to a feed-in tariff⁶ program if the rates are
21 adjusted regularly, such as annually. These program signals could consider the various services
22 DG can provide to the grid, including deferring capital investment, providing resiliency, and
23 others. The Stakeholder Group views the establishment of a holistic grid planning process as an
24 important component of informing future distributed generation deployment targeted to
25 address specific electric system-related needs.

26 The Stakeholder Group views the direction from the Act to identify “the optimum total amount
27 of distributed generation for the program period calculated using 7% of total load based on
28 operational capacity” as deeply intertwined with the broader directive to determine how grid
29 planning should inform the development of a successor program. The Stakeholder Group
30 discussed a methodology for calculating this value as specified by the Act, including an
31 illustrative calculation that relied on simplifying assumptions that would not be sufficient for
32 determining a final value.⁷ The Stakeholder Group concluded that an alternative methodology
33 that considers a broader range of benefits and costs as well as other program considerations

⁶ During its discussions and in some working materials, the Stakeholder Group occasionally referred to this model as a “walk-up” program.

⁷ See <https://www.maine.gov/energy/sites/maine.gov.energy/files/inline-files/illustrative%20calculation%20of%20program%20target%20Oct%202021%202021.pdf>

1 and overall results of net energy billing and other renewable energy market factors would be
2 better suited to determining a program target.

3 The Stakeholder Group discussed the type of information from holistic grid planning that should
4 be included in considering a successor program, which could include load forecasting that
5 accounts for electrification; load flexibility mechanisms and impacts thereof; the state's
6 economic, equity, clean energy and climate objectives. Inclusion of this information will inform
7 more accurate identification of and planning for: the amount of DG that will be required; the
8 most cost-effective locations for future DG; the most cost-effective distribution system
9 upgrades required to serve future DG; methods of interconnection of DG; and allocation of
10 costs of DG development.

11 [Successor program framework](#)

12 The Stakeholder Group discussed various considerations related to the overall structure of a
13 distributed generation program to be implemented between 2024 and 2028. The Stakeholder
14 Group agreed to the following considerations for the successor program. These considerations
15 are not listed in order of priority; while the Stakeholder Group generally agreed each
16 consideration warrants inclusion, the relative weight given to each if tradeoffs are deemed
17 necessary was an area where the Stakeholder Group agreed further discussion, supporting
18 analyses, and/or engagement with additional stakeholders may be warranted. The methods by
19 which the Stakeholder Group intends to conduct these discussions, analyses, and engagement,
20 as well as resources necessary to complete them, are detailed later in this report.

- 21 ● Target locations with highest value to grid to the extent possible, recognizing this
22 objective is dependent on an ongoing, iterative, complex process.
 - 23 ○ Highest value to the grid could include values attributed to increasing reliability,
24 resiliency, and avoiding higher cost alternatives. These values depend heavily on
25 both locational and temporal aspects of distributed generation projects as well
26 as the potential alternatives which they may be designed to avoid.
 - 27 ○ Highest value to the grid should also be determined in part with consideration
28 given to expected load growth, expectations of which should be informed by a
29 holistic grid planning process.
- 30 ● Recognize the expected increasing need for energy storage, with attention given to
31 maximizing the value of energy storage deployments.
- 32 ● Broader, targeted stakeholder engagement with more time is necessary to inform
33 inclusion of additional specific policy considerations, including land use, equity and
34 access, and billing and crediting.
- 35 ● Achieve the objectives of the program, including co-benefits, at the lowest cost to
36 ratepayers possible. The Stakeholder Group will discuss in the coming year how to
37 measure benefits and cost.

1 Successor program eligibility

2 The Stakeholder Group discussed considerations for eligibility in the successor program. The
3 Stakeholder Group understood its charge, consistent with the Act, to be a successor program
4 for distributed generation projects specifically ranging from 2 to 5 MW in nameplate capacity,
5 and generally adhered to this range in its discussions while preparing this interim report. The
6 Stakeholder Group did discuss certain factors that could suggest alterations to the 2-5 MW
7 range specified in the Act, including whether allowing larger projects to participate in a
8 competitive procurement could capture additional economies of scale and therefore achieve
9 more generation at a lower price, as well as how to treat projects smaller than 2 megawatts.
10 While these issues were not addressed in this report, discussion of appropriate size could take
11 place in advance of the final report.

12 Alternatively, the Stakeholder Group discussed whether distinguishing eligibility for the
13 successor program based on whether or not a project is collocated with load – such as behind a
14 customer meter, interconnected on the same circuit, or occupying the same or an adjacent
15 parcel – might more effectively target certain desirable benefits associated with distributed
16 generation and reduce the potential for unintended distortion of the cost-causation principle.

17 The Stakeholder Group also discussed whether a successor program would more efficiently
18 achieve its objectives if output were purchased directly by transmission and distribution utilities
19 and allocated uniformly or automatically to all customers, or to certain targeted customer
20 classes, rather than allocated specifically through bill credits as under the existing net energy
21 billing programs. Potentially desirable elements of such a model could include reduced
22 customer acquisition and retention costs, costs associated with billing and crediting complexity,
23 customer confusion and protection enforcement, and more efficient targeting of hard-to-reach
24 or historically underserved customers who are often less likely to participate in opt-in programs
25 and thereby can inequitably bear costs without receiving benefits. However, some
26 disadvantages could include perceived lack of opportunities for customers to participate
27 directly in supporting renewable energy deployment in their communities.

28 Successor program framework

29 The Stakeholder Group discussed various structures for a successor program, including a
30 procurement model with a competitive bid, a feed-in tariff or “walk-up” model, a combined
31 model incorporating elements of both, and alternatives as they are identified. Although this
32 Stakeholder Group does not yet recommend one approach above the others, the following
33 summary describes some of the considerations the Stakeholder Group discussed related to
34 each of these program structures.

35

Program model	Description	Considerations
Procurement	Under a procurement model, the Public Utilities Commission would conduct a competitive solicitation for attributes (such as output) of distributed generation projects and direct transmission and distribution utilities to enter long-term contracts with selected bidders to purchase the solicited attributes.	Recent procurements conducted in Maine have resulted in competitive prices for renewable resources. However, other recent examples have been ruled non-competitive. In addition to cost, other desirable attributes can be scored favorably during a procurement, although specifying weights and metrics to achieve desirable outcomes can quickly become complex. Procurements tend to drive competitive pricing but may be less flexible to individual project development considerations.
Feed-in tariff	Under a feed-in tariff model, distributed generations projects would be compensated for the output of their generation at a specific rate, which could depend on specific attributes of the project or output, known as a “feed-in tariff.”	Feed-in tariffs have been successful in stimulating development of renewable resources in other jurisdictions and can provide more flexibility for potential projects to develop. An overall cap, potentially combined with carve-outs for projects with desirable attributes, may be desirable. Setting the base tariff, as well as any potential adjustments for project attributes, can be complex and risks either exposure to unnecessarily high program costs or undercompensating projects and failing to realize the objectives of the program.
Combined procurement and feed-in tariff	Under a combined procurement and feed-in tariff model as discussed by the Stakeholder Group, an initial procurement would be conducted to establish a competitive base price for a subsequent feed-in tariff, which could be adjusted based on project characteristics and remain available following the initial procurement period.	A combined model has the potential to capture benefits from both approaches, using an initial competitive procurement to produce a market-based initial price that could then form the basis of a subsequent feed-in tariff. This would mitigate the risk of over- or undersetting the tariff, while also allowing flexibility for projects to develop in the program outside a specified procurement window. The feed-in tariff could also be adjusted to compensate other project attributes in accordance with policy priorities if desired. Such a combined approach would also be the most administratively complex option to implement.

1 In addition to potential frameworks for the successor program described above, the
2 Stakeholder Group discussed additional policy priorities that could be incorporated into a
3 successor program. The Stakeholder Group broadly agreed attaining the objectives of the
4 successor program with careful attention to costs – although members of the Group expressed
5 different preferences for how specifically costs should be measured and addressed – and
6 acknowledged a general sense that additional complexity associated with incorporating other
7 policy considerations into the design of a successor program may in at least some instances
8 result in increased costs. However, the Stakeholder Group also discussed the need to engage
9 additional perspectives to inform consideration of other policy objectives which could be
10 incorporated into a successor program framework to more clearly understand and weigh any
11 potential tradeoffs.

12 [Successor program design process](#)

13 The Stakeholder Group recommends the following process to structure its work in 2022,
14 culminating in issuance of its final report including recommendation of the successor program
15 consistent with the Act.

16 [Formation of issue-focused working sessions](#)

17 Organized through the Distributed Generation Stakeholder Group, focused listening and/or
18 work sessions will be held with additional stakeholders to address specific areas in the
19 successor program design. These focused working sessions will include members of the
20 Stakeholder Group, as well as specific representatives depending on the issue. Issue-focused
21 work sessions will be organized as needed to provide final recommendations on design criteria
22 for policy focused components of the successor program by mid-2022. The Governor’s Energy
23 Office should contract with an expert team as needed to facilitate the activities of these work
24 sessions. Sources of funding for this work may be needed and will likely influence the eventual
25 scope and content of work sessions.
26

Work session topic	Additional membership	Targeted outcomes
Equity and access	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.	Include alignment with ongoing LD 1682 ⁸ process and equity subcommittee of Maine Climate Council. ⁹ 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	Representatives from relevant natural resource agencies. Members from the Agricultural Solar Stakeholder Group. ¹⁰	Discuss applicable land use considerations, including methods for incorporating such considerations into the design of a successor program.

1
2 Additional working sessions could be conducted through the Stakeholder Group to address
3 specific topics as needed. For instance, an energy storage working session could provide
4 recommendations on storage siting and storage incentives, or a billing and crediting session
5 could propose recommendations to increase efficiencies in billing and crediting structures in
6 both the existing net energy billing program and potentially a successor program.

7 **Technical and economic analysis**

8 In addition to analysis and facilitation support for the working sessions detailed above, the
9 Stakeholder Group recommends the Governor’s Energy Office contract with an expert team to
10 provide technical and economic analyses to support the Stakeholder Group’s achievement of
11 certain additional requirements for the Stakeholder Group’s final report consistent with the
12 Act. Specifically, section 4, subsection 3 paragraphs A through G variously direct the
13 Stakeholder Group to conduct “consideration,” “identification,” and “updates” on specific

⁸ P.L. 2021 ch. 279 (LD 1682 An Act To Require Consideration of Climate Impacts by the Public Utilities Commission and To Incorporate Equity Considerations in Decision Making by State Agencies). This law requires the Governor’s Office of Policy Innovation and the Future, in consultation with other state offices and agencies, to develop methods and definitions applicable to the Stakeholder Group’s work on these topics by February 2022.

⁹ The Equity Subcommittee of the Maine Climate Council is tasked with setting equity outcomes for climate actions, monitoring progress and making recommendations to the Council to ensure programs and benefits reach diverse and isolated populations and communities.

¹⁰ The Agricultural Solar Stakeholder Group was convened in 2021 by the Department of Agriculture, Conservation and Forestry and the Governor’s Energy Office and is expected to issue a report with recommendations in January 2022.

1 topics. To achieve these objectives and issue recommendations supported by robust analysis
2 and suitable to Maine’s specific policy context, sources of funding for this work may be needed.

3 **Straw proposal and final report**

4 The Governor’s Energy Office, in collaboration with the Stakeholder Group and considering any
5 recommendations identified through working sessions, information as available from relevant
6 planning work, and results of technical and economic analyses as applicable and available,
7 should craft a straw proposal for the successor program to be released in 2022. The straw
8 proposal would be issued for public comment, with at least a 30-day period for interested
9 members of the public to provide written comments. Additional targeted public meetings could
10 be organized through the Stakeholder Group to solicit feedback from the public.

11 The Stakeholder Group, considering feedback provided from the public comments, will craft a
12 final successor program proposal to be included in the final report delivered to the Legislature
13 in 2023 consistent with the Act.

