



Department of Energy Resources
22 State House Station
Augusta, Maine 04333

September 11, 2026

Re: Front-of-the-Meter Distributed Energy Resource Program Proposal

To Whom It May Concern:

Thank you for the opportunity to submit comments on the Front-of-the-Meter (FTM) Distributed Energy Resource (DER) Program Proposal draft on behalf of the Maine Renewable Energy Association (MREA). MREA is a Maine-based non-profit association of renewable energy developers and producers, suppliers of goods and services to those developers and producers, and other supporters of the industry. Our member companies include developers, owners, and investors in DERs, including but not limited to solar, storage, biomass, and hydroelectric generation resources.

Thank you to the Department of Energy Resources (DOER), Current Energy Group, and DNV Energy Groups for their considerable and admirable effort preparing this proposal. MREA is an enthusiastic supporter of a new DER program (or programs) led by DOER. With the passage of LD 1777 (Public Law 2025, Chapter 430) and the end of a significant portion of the Net Energy Billing (NEB) program, Maine finds itself without a program to support meaningful FTM DER project development, as well as limited opportunities to develop behind-the-meter (BTM) projects. Without a new program (or programs), Maine is limited in its ability to realize the grid and energy benefits of DERs (including addressing increasing demand, avoiding distribution upgrade costs, stabilizing or reducing energy costs, promoting resiliency, and more), as well as DER work force and investment benefits. Indeed, LD 1777 has left a consequential gap in Maine's DER pipeline, which has not only significantly slowed project development, but has resulted in industry layoffs and a decline in investor interest. MREA has a strong interest in closing this gap.

In reviewing this proposal, MREA sought indicators of a worthy business proposition for DER developers and investors, balanced by achievement of the net benefit threshold required by 35-A M.R.S. §3209-I; a program that maximizes the grid services that DERs provide; a program that provides direct benefits to electricity customers burdened by rising costs; and a program that can be practicably implemented in a timely

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manner.

MREA is pleased that the proposed program relies on long-term contracts (which supports financeability); includes a capped, open enrollment tariff structure (which also supports financeability, as well as program stability); and that the proposal leverages one of the leading benefits of DERs - avoided costs by building projects that meet specific distribution system needs. However, MREA is deeply skeptical that Part 2: Distribution System Services contracts, as proposed, can be implemented absent significant programmatic and regulatory changes. Part 2 is wholly reliant on Maine's utilities to identify the location, timing, magnitude, and value of distribution system needs suitable for DER solutions. Based on the perceived lack of progress on non-wires alternative policy and regulatory initiatives, challenges that MREA members have directly experienced developing distribution-connected energy storage systems, the current status of the Integrated Grid Planning process, as well as reasonably held utility biases and more, MREA is not confident that the data necessary for Part 2 to be successful will be available (at least not in a timely manner). As a result of this, coupled with concerns about the financial viability of Part 1 and more, MREA does not believe that the proposed program meets the expectations and needs of the industry and threatens to lengthen the gap left by LD 1777.

MREA stands ready to continue to engage with DOER, Current Energy Group, DNV Energy Groups, and the Maine Public Utilities Commission (Commission) in their development of this important program. Given the depth of our concern, we recommend that the DOER circulate an updated proposal that is responsive to these and others' written comments prior to the Commission's assessment of net ratepayer benefits. MREA acknowledges and respects the September 30, 2026 Commission submission deadline. However, we believe that the Commission's analysis should be limited to a proposal that has reasonable stakeholder support, including developer confidence that projects enrolled in the proposed program (that would not otherwise participate in existing solicitations) can achieve deployment. In the meantime, thank you for your consideration of the following feedback.

MREA offers the following comments on Part 1 of the proposal, the "Standard Offer Block":

- **Financial viability.** Members believe projects cannot be financed on energy and REC revenue alone, particularly given the proposal's required retirement of RECs in Maine. Project compensation is reduced if developers cannot retain RECs and self-select where to potentially retire those RECs. This, along with the loss of the personal property tax exemption and the loss of the federal Investment Tax Credit (ITC), makes the likelihood of this proposed program supporting profitable (and thus financable) projects very low. MREA appreciates that the proposal

contemplates projects taking part in both components of the proposal (Part 1 and Part 2, "Distribution System Services contract"), however, the proposal appears to expect that projects would be viable under Part 1 alone given the time it would take to implement Part 2, even under a best case scenario (please see our additional comments on Part 2).

- **Contract terms.** To be financeable, contracts must be long-term, consistent with the industry standard of 20 years. Relatedly, it is unclear that, as proposed, the contract terms would change year-to-year. In order to be financeable, at a minimum the monetary incentive must be fixed for a 20 year period, but ideally the incentive would escalate modestly each year in the range of 2-3%.
- **Capacity value.** Capacity should be included in the Standard Offer Block value stack and treated similarly to energy or RECs, with a fixed, predictable rate, to improve project economics.
- **Project size carve-outs.** MREA recommends that a portion of the annual standard offer block be reserved for projects under 1 MW, as these projects are readily buildable and less prone to interconnection delays.
- **Queue management.** MREA recommends that the program include a formal queue management system, to prevent the annual standard offer block from being filled by projects that are never built.
- **First block price setting.** The price for the initial standard offer block should be set as soon as the program is implemented. Without price clarity, developers will not be willing to make investments and incur development costs given the uncertainty of the price, particularly developers of smaller projects where margins are narrow. Competitive solicitation should not be used for price setting. Competitive solicitation creates a race to the bottom, where projects may bid prices that are not financeable to secure contracts, resulting in a pipeline of projects that may never reach operation. MREA recommends the use of an avoided cost study and a potential hybrid model including industry data on project finance for price setting.
- **Administrative costs.** MREA recommends that administrative costs (a component of recoverable costs) be predetermined as part of the program to avoid the lack of transparency seen in previous programs. See Commission Docket 2026-00172.

MREA offers the following comments on Part 2 of the proposal, "Distribution System Services contract":

- **Data access risk.** Part 2's viability relies on location, timing, magnitude, and value

of distribution system needs data from utilities that members believe may not be provided transparently or in a timely manner.

- **Utility bias.** Members believe that utilities have a bias toward capital spending that may disincentivize sharing of distribution system needs.
- **Proposed solution.** MREA suggests that the process for identifying distribution needs be well supported by DOER and that need data be made publicly available. We recommend looking to New York's "Value of Distributed Energy Resources" (VDER) program as an example of a third party data manager and disseminator.

Additional comments:

- **Customer-owned FTM solar.** MREA supports an option for consumer-owned front-of-the-meter solar, because it supports Maine's electrification goals and, much like rooftop solar, provides load-reducing benefits that positively impact all ratepayers while relying on private investment. Such an option is particularly meaningful if it is targeted at low and moderate individuals, who are uniquely impacted by recent, significant cost of living increases. MREA recommends including a customer-owned FTM solar component to the program proposal or, at a minimum, that DOER publish a timeline and process for when such a proposal will be considered.
- **Medium-scale onsite solar serving commercial and institutional customers.** LD 1777 closed opportunities for medium-scale onsite solar, which is largely rooftop solar, serving commercial and institutional customers including municipalities, schools, small businesses, and non-profits. MREA recommends including this in the proposal or as a separate program to serve these customers and increase the state's capacity of BTM generation, which matters both to the individual customer seeking to control future energy costs and to ratepayers at large, for whom such generation has been shown to provide net benefits. See Sustainable Energy Advantage's Analysis of 2025 Net Benefits of Net Energy Billing Program. Because these projects interconnect behind a customer meter and act as load reducers, they provide additional benefits compared to other NEB programs, including reducing Maine's RPS compliance obligation, uncleared capacity value, and capacity DRIPE benefits. LD 1777 appropriately enables consideration of the establishment of a load reducer program program, and such a program could be implemented under a much more rapid timeline than the straw proposal considers, providing a thoughtful, near-term, ratepayer beneficial opportunity for both customers and developers alike. At a minimum, MREA recommends that DOER publish a timeline and process for when such a program will be considered.

Thank you for your consideration of our comments. We welcome the opportunity to discuss them further.

Sincerely,

A handwritten signature in cursive script that reads "Eliza Donoghue". The signature is written in a dark ink and is positioned above the printed name.

Eliza Donoghue, Esq.
Executive Director