



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

September 11, 2026

Subject: Front-of-the-Meter (FTM) Distributed Energy Resource (DER) Program Design, August 27, 2026 Draft Program Proposal prepared for the Maine Department of Energy Resources (DOER) by DNV and Current Energy Group

To Whom It May Concern:

The Natural Resources Council of Maine (NRCM) is a nonpartisan membership organization that has been working for more than 65 years to protect, restore, and conserve Maine's environment, now and for future generations. Our nearly 20,000 members and supporters across all counties of the state take a strong interest in Maine's transition away from fossil fuels toward a clean and affordable energy system. NRCM regularly engages in legislative, policy, and regulatory proceedings related to demand management, utility planning and operations, net energy billing, and distributed energy resources, including the distributed generation (DG) Stakeholder Group hosted by the Governors Energy Office from 2021 to 2023.

NRCM appreciates the thoughtful and rigorous work that DOER, DNV and Current Energy Group have put into the development of this proposal for an FTM DER Program in Maine. On behalf of our members and supporters, NRCM is grateful for the opportunity to provide feedback and submits the following comments for consideration.

Our chief concern regards timing. LD 1777 closed the previous program for FTM solar and put additional restrictions on commercial on-site/behind-the-meter (BTM) installations. The legislative intent of the provision in that law that tasked DOER with the development of the extant program was to provide continuity for businesses and institutions in the DER space, to bridge smoothly to a successor program. The September 30, 2026 deadline plus a maximum 120-day approval/rejection timeline for the Public Utilities Commission (PUC) was carefully selected to provide a lifeline to project pipelines and to help ensure that Maine does not miss out on the significant opportunity that DERs present for ratepayer benefits through avoided supply, capacity, transmission and distribution costs and other grid services. The expectation was that the successor program would be operational in the first half of 2027.

While we find many of the attributes of the program design well-conceived in theory, NRCM is concerned that the proposal misses the mark on feasibility for near-term implementation. The program appears to be predicated on major reforms to fundamental aspects of Maine's utility and regulatory landscapes, e.g., default supply procurement, transparency in utility data and system planning, consensus in grid needs assessment methodologies, third-party ownership of storage and other reliability assets, DER integration into utility operations, flexible interconnections, etc.



While NRCM welcomes and is indeed working for progress on these fronts, effective reforms in any one of these areas would be an achievement in and of itself. Together these obstacles push viability, particularly for Part 2, far out of reach, leaving Maine's renewable energy market and the opportunity to tap DER flexibility to reduce ratepayer costs in the lurch. Furthermore, in missing the December 31, 2027 deadline for the Federal Investment Tax Credit, Maine would forfeit cheaper renewable energy resources.

Of the necessary enabling reforms, we encourage DOER to consider supporting the establishment of an independent power authority. Maine's current default supply procurement process is poorly matched to the kind of supply portfolio management that is envisioned here. The Standard Offer Block proposal would likely present a considerable burden to suppliers, who would be required to either incorporate the Standard Offer Block into their bids or price the remaining residual load, on a time-differentiated basis. This added complexity could be expected to increase bid prices and reduce participation in the standard offer supply solicitation.

For FTM DER resources to be valued, compensated, and bundled as a time-differentiated supply hedge on behalf of standard supply customers, it would apparently require proactive portfolio management on the part of an independent power authority. Such an authority, comparable to models in Illinois or New York for example, could be chartered to reduce supply costs, reduce price volatility, absorb risk, and incorporate demand management at scale (through virtual power plants or VPPs) to shift and shape load on Maine's distribution system.

We recommend that Parts 1 and 2 be adopted simultaneously. Without Distribution System Services, the energy and REC values of the Standard Offer Block alone may be inadequate to support new DER development. And without locational price signals, the Standard Offer Block alone would not deliver the avoided infrastructure benefits and grid services that tip the scales of distribution scale resources in favor of ratepayers.

To avoid delay for Distribution System Services, we urge DOER to develop a simplified screening approach to provide locational premiums based on a limited set of distribution grid needs and DER operational parameters, including both high load and low load conditions. Compensation premiums and parameters should be designed to reflect the unique operational characteristics of stand-alone storage and storage added to existing solar facilities, as well as other DERs.

We encourage DOER to work with the PUC to advance unambiguous, regular and enforceable reporting requirements for utility transparency in system planning and operations, without which a grid needs assessment and valuation methodology for DER services would not be achievable. Utility information asymmetry, capital bias, and misaligned incentives are at work in stark opposition to the practical implementation of Part 2 of the proposal.

Distribution System Services should not exclude BTM resources. Instead, it should value the provision of grid services without discriminating against one or the other side of the meter. While the scope of the task as assigned by LD 1777 clearly articulates a focus on FTM DERs, the program as proposed here is readily capable of integrating BTM resources to achieve similar avoided capacity and supply requirements (Part 1) and locational benefits (Part 2). This should include larger commercial and institutional on-site facilities, which SEA's cost benefit analysis on behalf of the PUC has demonstrated to be ratepayer beneficial as load reducers. It should



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also include aggregated residential flexibility, subscribed for example through the programs of Efficiency Maine Trust. We therefore recommend the program be explicitly designed to also incorporate BTM resources without arbitrary discrimination that might otherwise add unnecessarily to program costs.

In closing, we would like to reiterate our support for this effort. We encourage DOER to continue to develop its proposal toward a more feasible and detailed design that enjoys strong stakeholder support, before the PUC undertakes an assessment of ratepayer benefits. Thank you for your consideration of these comments.

Respectfully submitted,

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