



September 11, 2026,

Via Electronic Mail

RE: PowerOptions' Comments on the Front-of-the-Meter Distributed Energy Resource Program Draft Program Proposal

To the Maine Department of Energy Resources:

I am writing on behalf of PowerOptions, a nonprofit energy-buying consortium and trusted advisor to nonprofits and the public sector in Maine and across New England. With over 800 Members, both large and small, our collective strength yields competitive energy pricing and greater price stability across our membership of municipalities, school districts, hospitals, colleges, universities, religious institutions, and human-service organizations. We are mission-driven with a primary focus on reducing the cost, carbon, and complexity of energy for our Members through offerings that include energy procurement, clean transportation, solar and storage, building decarbonization, and technical advisory services.

We appreciate the work of the Department of Energy Resources (the Department) and its project consultants in developing the Front-of-the-Meter Distributed Energy Resource (FTM DER) Draft Program Proposal and in publishing it for public review. Many of our Members either host or are considering hosting distributed generation resources on their properties. These are most often through offtake agreements, and for those that are weighing new projects, a successor to the prior Net Energy Billing Program is critical. These Members operate on constrained budgets with lean staff, limited in-house energy expertise, and capital decisions that often must clear a board, a town meeting, or a municipal appropriation cycle. With our Members' interests in mind, we offer the following recommendations. We have organized our comments by report section and, where applicable, by the numbered stakeholder question in Section 6:

- A request that the Department reserve a portion of each annual Standard Offer Block enrollment cap for smaller projects of 1 MW or less, which are faster to deploy, closer to load, and less likely to experience interconnection delays.
- A request that the Department include a program component delivering direct benefits to resource-constrained entities, such as municipalities and nonprofits, whether within this Program or through a separate program.
- A request that Part 1 costs be recovered from all retail customers rather than from Standard Offer customers alone.
- A request that the Department consider a load reduction and behind-the-meter solar program component, and, at a minimum, publish a projected timeline for when behind-the-meter generating resources will be considered.

- Support for the two-part, stackable structure of the Standard Offer Block and the Distribution System Services contract.
- A request that the Program establish a defined minimum contract term of 20 years, with compensation values fixed or escalated for the full term of an executed agreement.
- A request that the Department publish Standard Offer Block rates before each block opens and keep enrollment continuously open until the block cap is reached, rather than procuring through a periodic competitive solicitation.
- A request that distribution system needs identified through Integrated Grid Planning, and the grid service compensation values associated with them, be published as a public resource at the most granular level the utilities can provide.
- Support for the allowance of third-party aggregators, and a request that it be retained in the final program design.
- Support for proportional, performance-based compensation, as proposed.
- Support for the eligibility of standalone storage and commercial rooftop solar, including aggregation of multiple rooftops, as proposed.
- A request that the Program account for land use by prioritizing projects in the built environment, including through an adder for priority projects, rather than enabling large projects on undisturbed land.

More detailed justification for these comments can be found in the pages below.

Thank you for your consideration of our comments, for your leadership, and for your commitment to affordable, reliable, and clean energy for the state of Maine. Please direct any comments or questions to Sophia Gosselin-Smoske (sgosselinmoske@poweroptions.org).

Thank you,



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Program Scope and Customer Benefit

§ 5.1 & § 5.6: Standard Offer Block Enrollment Caps (Request for a Small Project Carve-Out)

Under Section 5.1, annual enrollment caps would be sized so that each block satisfies the § 3209-I ratepayer-benefit determination, with caps and rates re-derived and published before each block opens. As drafted, the cap is a single pool, open on the same terms to a project of any size.

We are concerned at how these blocks will be allocated given a first-come, first-served framework. A first-come pool of a fixed megawatt size can be filled by a handful of large projects. Meanwhile, the types of projects our Members host are typically well under a megawatt, sited on a roof, a parking canopy, or an adjacent parcel, and they often advance on the timeline of a board or a municipal appropriation cycle rather than on the timeline of a development pipeline.

Smaller projects also can be built more efficiently due to fewer interconnection delays. In addition, small projects require less land, and are sited close to load, which reduces the line losses the proposal identifies in Section 3.2 as an avoidable cost to ratepayers.

We respectfully request that the Department reserve a defined portion of each annual Standard Offer Block enrollment cap for projects with a nameplate capacity of 1 MW or less.

§ 1, Table 1-1 & § 6, Question 8: Direct Benefit Components for Underserved Customers (Request for a Program Component)

Table 1-1 identifies community benefits as a guiding objective of the Program. As drafted, however, the Program contains no component that directs benefits specifically to municipalities and nonprofits. Compensation flows to project owners, and the ratepayer benefit is often marginal when looking at a given utility bill over time.

These benefits are valuable, but they could be compounded by siting projects locally and on-site such that host customers also see the direct benefits on their own bills. Section 1 notes that LD 1777 permits the Department to consider other factors it deems appropriate, and Section 4.4 notes that the statute directs consideration of a load reduction program for commercial customers.

We strongly urge the Department to include a program component that delivers direct benefits to municipalities and nonprofits. If the Department determines that such a component cannot be accommodated within this Program, we respectfully request that it propose a separate program to that end, as the statute allows.

§ 2, Table 2-1(4), § 4.4 & § 5.7: Load Reduction and Behind-the-Meter Resources (Request for a Path Forward and a Projected Timeline)

Table 2-1 states that, although the straw proposal does not expressly provide load reduction opportunities for commercial customers, future program stages can integrate features that value load management as a grid service. Section 4.4 explains that the project team considered load reduction program designs and concluded that near-term program development is best suited to DER and storage solutions that adhere to the front-of-the-meter construct.

We support the Program's malleability over time and understand that the Department is working against a tight statutory deadline of September 30, 2026. We are concerned, nonetheless, that deferring behind-the-meter resources indefinitely leaves a significant gap. With the federal Investment Tax Credit phased out, there are no behind-the-meter solar incentives available to Maine customers. Projects must therefore pencil on their own economics, which for a municipality or a resource-constrained nonprofit is rarely possible. The result is a barrier to entry for precisely the customers who would benefit most from on-site clean power.

Section 4.4 also cites the existing demand-side programs administered by Efficiency Maine Trust. We understand those offerings to be, in practical effect, demand response and storage-oriented, which does not provide an incentive for solar projects. We would not want the existence of adjacent demand-side programs to be read as evidence that the need is already met.

Table 1-1 also identifies an attractive market for developers as a guiding objective of the program. A behind-the-meter component serves both: it creates a market segment for developers and delivers value directly to the customer whose roof or property hosts the system, as well as avoided costs of deferred infrastructure upgrades and reduced transmission and distribution costs for all customers.

We respectfully request that the Department consider a load reduction and behind-the-meter solar program component, within this Program or as a separate program proposal, and that, at a minimum, the Department publish a projected timeline identifying when behind-the-meter generating resources will be evaluated for inclusion, so that their consideration is bounded rather than indefinite.

Cost Allocation and Recovery

§ 5.1 & § 6, Questions 1 and 3: Recovery of Standard Offer Block Costs (Request for Recovery from All Retail Customers)

Section 5.1 presents two options for recovering Part 1 costs: from Standard Offer customers, which aligns costs with the customers receiving the direct supply-price hedge, or from all retail customers, which the proposal notes may warrant a finding that the portfolio's benefits extend to all retail customers. We believe all ratepayers should contribute to the cost of the Program, for two reasons.

First, the benefits are not confined to Standard Offer customers. These same resources, however, will also relieve the need for costly grid upgrades and reduce transmission and distribution costs. Those savings reach every customer on the system regardless of who supplies their energy, and Section 5.2 already considers allocating Distribution System Services costs to all ratepayers in the applicable utility territory on precisely this reasoning.

Second, recovery limited to Standard Offer customers creates a potential durability problem. If more customers were to move to a third-party supply, especially with the emergence of Community Choice Aggregation in Maine as enabled by LD 2112, the pool of customers paying for the Program shrinks while the Program's obligations continue. Spreading costs across all customers eases that tension and assigns costs to all who benefit, including those who benefit indirectly.

We respectfully request that the Department propose recovery of Part 1 Standard Offer Block costs from all Maine retail customers, consistent with the treatment of Part 2 costs under Section 5.2.

Contract Structure and Terms

§ 5: Two-Part Stackable Program Structure (Support)

The proposal establishes two complementary components: the Standard Offer Block under Part 1 and the Distribution System Services contract under Part 2, described as separate but compatible and stackable. We support this structure, allowing a project to earn compensation for distinct services it provides.

We respectfully request that the Department retain the stackable relationship between the Standard Offer Block and the Distribution System Services contract in the final program design.

§ 5.1 & § 5.4: Contract Term and Annual Tariff Updates (Request for a Defined 20-Year Term with Fixed Values)

Section 5.1 provides that DERs participating in the Standard Offer Block would enter into long-term contracts with Maine's transmission and distribution utilities, and the illustrative scenarios in Section 5.6 assume 20-year contracts. The length of the term, however, is not established in the proposal itself. Separately, Section 5.4 provides that the tariff or applicable riders are updated annually to refresh compensation rates for projects.

We strongly support long-term contracts, as for municipalities and nonprofits, a long-term contract is often the only workable model, because these organizations finance projects against a predictable revenue stream and often must present a complete, defensible cost and revenue figure to a board, a finance committee, or a town meeting before authorization can be obtained. A long-term contract is workable, however, only if its terms and incentive values are predictable. If the annual tariff cycle can reduce the compensation values applicable to an executed agreement, the certainty the long-term contract is meant to provide is lost.

We read Section 5.4 as describing prospective updates that apply to each new block rather than retroactive changes to executed agreements, and we support annual updates on that reading.

We respectfully request that the Department (1) establish a defined minimum contract term of 20 years for Standard Offer Block agreements, and (2) state expressly that compensation rates and other material terms are fixed or escalated at contract execution for the full term of the agreement, and that annual tariff updates apply prospectively to subsequent blocks rather than to executed agreements.

§ 5.6: Performance-Based Compensation (Support)

The illustrative scenarios in Section 5.6 compensate projects in proportion to the performance obligations they meet. We support this structure, as it is a fair reflection of the services a project delivers, and it protects ratepayers from paying for performance that did not occur.

We respectfully request that the Department retain proportional, performance-based compensation in the final program design.

§ 5.5: Aggregation (Support & Request for Retention)

We support section 5.5, which states that DER aggregation can be conducted by the utility or by third-party aggregators. Our Members generally do not have staff able to manage dispatch obligations directly, and the ability to contract with a third party that performs that function on their behalf is often what makes participation possible. Aggregation also

allows smaller resources to be combined into a portfolio capable of meeting performance requirements that no single small project could satisfy on its own.

We respectfully request that the Department retain the allowance for third-party aggregators to dispatch resources on behalf of participating entities in the final program design.

Transparency and Planning Information

§ 5.1 & § 6, Question 4: Price Setting and Enrollment Cadence (Request for Set Prices and Continuous Enrollment)

We are concerned about the prospect of a periodic bid-based structure for the program. The project lifecycle in a periodic solicitation-based program advances in discrete steps: prepare the project, wait for the window to open, apply, wait for results, then seek final approval from the project stakeholders. For our Members, staff turnover is not uncommon and by the time an award is issued, the project may need to be reintroduced to people who were not part of the original decision. Projects can get lost at that stage, not because the economics changed, but because the institutional memory that supported them did not survive the solicitation timeline. A continuously open program with published rates avoids this by allowing a project to move at the pace of the organization's own approval cycle rather than at the pace of a solicitation calendar.

We request that the Department consider a Standard Offer Block with rates published before each block opens, and enrollment that remains continuously open until the block cap is reached. If the Department chooses to adopt a competitive solicitation, we respectfully request that it publish a multi-year solicitation calendar in advance and commit to a defined maximum interval between the application deadline and the award notification, so that applicants can align their internal approval cycles with known dates.

§ 5.2 & § 6, Question 5: Distribution System Needs and Grid Service Data (Request for Public Availability)

Section 5.2 provides that, because Distribution System Service (DSS) implementation depends on sufficient identification and valuation of distribution grid needs, Part 2 may be phased in as utility Integrated Grid Planning and other planning processes mature.

That inventory is valuable well beyond the projects that ultimately contract for DSS. A customer deciding whether to host a project, and where to site one, needs to know whether that location corresponds to an identified grid need. Our Members frequently own multiple sites across a service territory and have some latitude in where a project is placed. Without published information, they cannot exercise that latitude in a way that helps relieve system constraints.

A behind-the-meter load reduction component would complement this, as load reduction at a constrained location addresses the same underlying need from the demand side.

We respectfully request that the Department require the inventory of identified distribution system needs, and the associated grid service compensation values, to be published as a public resource at the most granular level the utilities are able to provide, and to be updated annually.

Project Types and Siting

§ 5.6: Other DER Project Types, e.g., Standalone Storage and Commercial Rooftop Solar (Support)

We support the inclusion of both standalone storage and commercial rooftop solar as project types under the straw proposal, as described in Section 5.6.

Consistent with our comments above, however, both pathways serve front-of-the-meter configurations and do not substitute for a behind-the-meter incentive, which remains the essential missing element for resource-constrained customers.

We respectfully request that the Department retain eligibility for standalone storage and for commercial rooftop solar, including aggregation of multiple rooftops by a third party, in the final program design.

§ 6, Question 8: Land Use and Siting Priority (Request for Built-Environment Prioritization)

The Program is technology-agnostic and, as drafted, does not distinguish among projects by the character of the land they occupy. Table 1-1 identifies community benefits as a guiding objective.

We believe the state must account for land use when prioritizing projects. A program that allocates a fixed annual volume on uniform terms will tend to be filled by the projects that are cheapest to build, which are frequently large projects on undisturbed land. That outcome consumes open land, places generation farther from load, and delivers less of the locational value the Program is designed to capture. Projects on rooftops, parking canopies, and other developed sites avoid that tradeoff and provides local power.

We respectfully request that the Department incorporate a siting priority that favors projects on the built environment and discourages large projects on undisturbed land, for example through a compensation adder for priority projects. Additionally, we note that a behind-the-meter solar incentive would advance the same objective by directing development to sites that are already developed.