

## Maine Governor's Energy Office

### Distribution System Operator Feasibility Study Meeting Summary

Tuesday, November 26, 2024

1:00pm – 2:00pm – via Zoom

#### Background

Pursuant to [legislation](#) enacted in 2023, the Governor's Energy Office (GEO) is leading a study to determine whether a Distribution System Operator could be established in Maine to achieve cost savings for customers, improved system reliability, and accelerated achievement of the State's climate goals. The Resolve contains up to two parts, with the first to evaluate whether a DSO could be designed to achieve the stated purpose. If GEO determined, based on Part I, that a DSO could be designed to achieve the stated objectives, GEO and its consultants would undertake Part II of the study, which would entail a formal design DSO proposal for Maine.

In 2024, GEO retained Strategen Consulting to conduct Part I of the DSO study. On June 20, GEO hosted a public webinar with Strategen to provide an overview of the study process and answer questions from the public. On November 18, the DSO study Part I draft results and GEO's determination were published, along with a request for comments on the draft study. On November 26, GEO hosted a public webinar with Strategen to present the study results and GEO's determination. Approximately 50 participants joined the hour-long November webinar, which is summarized below.

#### Meeting Summary

GEO provided a recap of the DSO study process before outlining the office's determination not to proceed with Part II of the study. Instead, GEO intends to consider the findings from Part I to inform future prioritized areas of analysis to support achievement of the broader state grid planning, infrastructure, and management objectives. Following GEO's determination, Strategen shared the assumptions, findings, and recommendations from the draft feasibility study. An open Q&A session for meeting participants followed.

GEO is accepting public comments on the draft study. Comments may be submitted via email to [geo@maine.gov](mailto:geo@maine.gov) no later than December 5, 2024.

#### Presentations

**Ethan Tremblay**, Policy and Markets Program Manager at GEO, provided background on the Resolve, the DSO study, and the previous DSO webinar hosted by GEO in June 2024, along with GEO's determination and next steps in the process.

**Matthew McDonnell**, **Strategen Consulting**, presented an executive summary of the study, including goals of the Resolve and overview of findings. The study, which involved extensive stakeholder engagement, a functional analysis, literature review, and comparative analysis, found that DSO functions have been shown to enhance distributed energy resource (DER) integration and drive system flexibility, resiliency, and greenhouse gas (GHG) reduction benefits, satisfying the objectives of the Resolve. Considerations for next steps followed, including the recognition that

DSO development process in a limited number of countries have been multi-year iterative processes with significant stakeholder engagement.

### Public Comment Summary

Themes from the audience Q&A session are categorized and summarized below, including responses provided by GEO and Strategen:

- **DSO relationship with existing entities.** One participant asked if a DSO's function would go beyond the mandate of the Maine Public Utilities Commission (PUC). Another wondered what the nature of the relationship was between public utilities and DSOs in countries which have established them.
  - As defined by the Resolve, the functions of a DSO could both overlap with and extend beyond the Maine PUC's existing authority.
  - Strategen noted that there are a variety of examples in the report, but in some instances, DSOs are incubated within a utility, and in other circumstances they operate separately.
- **Strategen study methodology.** One participant asked how specific Strategen's recommendations were to Maine versus other jurisdictions.
  - Strategen conveyed that with respect to the study, they focused on the DSO functions themselves.
- **GEO determination.** Multiple questions arose regarding GEO's determination to not proceed with Part II of the study, including:
  - In the absence of a DSO, who would guide the statewide development of DERs? What were the elements of GEO's determination that a DSO proposal would require significant investment of resources? How to address challenges with interconnection of DERs today?
    - GEO encouraged participants to read the determination letter, linked [here](#), and emphasized that although the determination is that a DSO is currently premature, there are currently separate initiatives underway or under development to support DERs and related state policy objectives.
    - GEO noted that the study, including the review of other jurisdictions, helped provide a sense of the resources needed to create a DSO. The decision was based in part on financial factors as well as the extensive amount of engagement and organizational focus required to pursue a DSO for Maine.
    - GEO emphasized that the determination was not a refutation of the benefits a DSO could provide, rather that many of the functions of a potential DSO are already being pursued in the state.

- **DSO market.** One participant expressed interest in the creation of a distribution-level market and wondered if there are any other new types of markets at the distribution level that could serve as an example for Maine.
  - Strategen noted that there are several examples in the report, including early-stage opportunities with flexible interconnection, procurement, demand side flexibility, and demand response, among others.
- **Flexible interconnection initiatives.** One participant asked, without a DSO, what are some thoughts on proceeding with flexible interconnections/flexibility service? Is there a proposed roadmap? How is it done in the UK, or are there other early thoughts?
  - GEO responded that one of the office's focuses is on the initial foundational investments needed to enable flexibility services. There are significant differences between the UK and the US. GEO recognizes that this is an area of potential value and also would require significant effort.

#### Next Steps

Ethan Tremblay provided closing remarks, noting that GEO is seeking input and public comment on the draft feasibility study and determination. Comments and questions can be sent to [geo@maine.gov](mailto:geo@maine.gov) by December 5, 2024.