



MAINE DEPARTMENT OF
Energy Resources

Public Webinar: Front-of-the-Meter Distributed Energy Resources Draft Program Design

September 2, 2026, 11am-12pm

Agenda

- Welcome, Introductions, and Objectives
- Framework & Program Design Process
- Straw Proposal
- Participant Discussion and Q&A
- Next Steps



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Maine Department of Energy Resources (DOER)

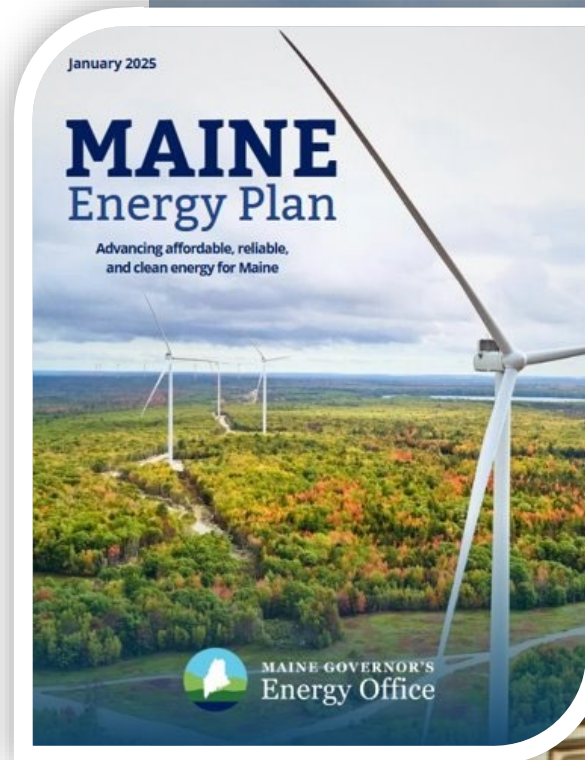
The Maine Department of Energy Resources (DOER) is a cabinet-level department that officially launched in September 2025, replacing the Governor's Energy Office.

DOER is designated as the state energy office and is responsible for energy planning, programs, and development, including the State's Energy Plan which must:

- Identify opportunities to lower and to maintain reasonable total energy costs for consumers in the State; and
- Detail the State's progress toward meeting its energy goals for new renewable energy generation and energy storage, including distributed energy resources.



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DNV & Current Energy Group (CEG) Introductions



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Webinar Objectives

1. Share front-of-the-meter (FTM) distributed energy resource (DER) program design process with interested stakeholders.
2. Discuss program straw proposal with stakeholders, elicit feedback that can inform final draft.
3. Provide update on next steps, including further opportunities for straw proposal feedback and Benefit-Cost-Analysis.

Assignment | LD.1777 assigns DOER to design a front-of-meter DER program & submit to MPUC by 9/30/2026

Summary of Statutory Assignment

The Governor's Energy Office (now DOER) shall design a program or programs to encourage the development of front of the meter distributed energy resources in the State[...]. If the [Public Utilities Commission] finds that the proposal provides **benefits to ratepayers in the State in excess of the costs to ratepayers**, the commission shall by rule implement the program or programs.*

The proposed program would “**succeed the net energy billing program.**”

* Source: Maine Statute 35-A M.R.S. [§3209-I \(2\)](#)

Front of Meter (FTM) Definition

Electric generating facility that uses a renewable fuel or technology (...) is located in the service territory of a transmission and distribution utility in the State and is **interconnected to the distribution grid on the utility side of a customer's utility meter.***

Key Rules & Restrictions

- | | | | |
|--|----------------------------|-----------------------|-----------------------|
| Eligible renewable capacity resources⁺ | • Fuel cells | • Hydroelectric | • Solar installations |
| | • Tidal power | • Biomass generators | • Wind installations |
| | • Geothermal installations | • Anaerobic digestion | |

+ Source: Maine Statute 35-A M.R.S. [§3210 \(2\)](#), paragraph B-3

Assignment | LD.1777 assigns DOER to design a front-of-meter DER program & submit to MPUC by 9/30/2026

“In designing the program or programs, the office shall consider:

- 1 The marginal benefit to ratepayers in the State of the time value of generation & the location of generation;
- 2 Reasonable compensation rates specific to a distributed energy resource's size and generation type;
- 3 The development & use of a compensation model based on the value of distributed energy resources;
- 4 Opportunities for a load reducer program for commercial customers;
- 5 Incentivizing energy storage that provides benefits to ratepayers in the State; and
- 6 Necessary changes to utility rate structure, billing systems, data collection or metering to implement the program.

The office may consider other factors the office determines appropriate and shall solicit public input prior to the submission of a program design to the commission.”

* Source: LD 1777(Public Law 2025, [Ch. 430 §14](#))

Project Objectives | Design an FTM DER program that better serves ratepayers, advances state energy goals, and meets §3209-I requirements

A successful program design would support most or all the following aims:

**Affordable energy
for ratepayers**

Program will contribute to lowering electricity costs for ratepayers.

**Attractive market for
developers**

Program incentives support long-term market health without raising costs for ratepayers.

**Recognized value
streams**

Energy services from DER resources are identifiable and compensated appropriately.

**Reliable and
resilient grid**

Program's impacts strengthen Maine's grid, protect it against evolving challenges, and ensure reliable service.

**Integrated with grid
operations**

FTM resources are integrated into planning and operations to provide enhanced services for balanced grid management.

Community benefits

Maine people and host communities see material benefits from clean energy investments.

**Durable, sustainable
market design**

Program design is flexible enough to adapt for new technologies and market changes.

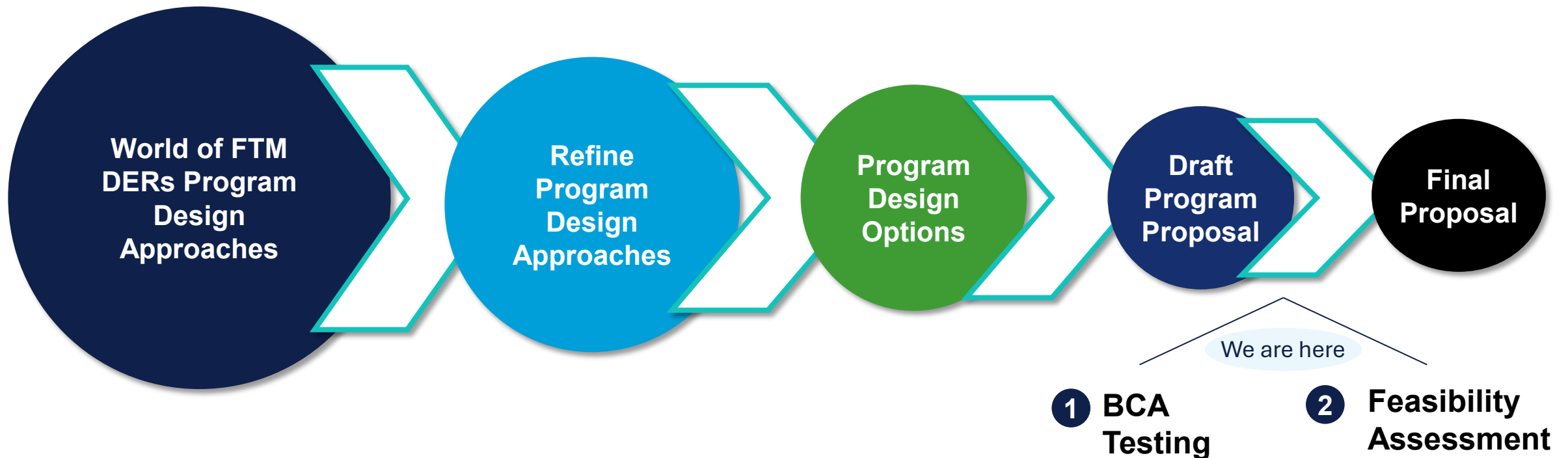
Project Timeline & Stakeholder Engagement

Milestone	May	Jun	Jul	Aug	Sep
Regulatory Review & Framework					
Program Design & Development					
<i>Public Pre-Read: Project Background Deep Dive</i>					
<i>Public Webinar #1: Project Background, Framework Options, BCA Methods & Evaluation Scenarios</i>					
Draft Program Proposal & Report Released			<i>Report published on 8/27</i> 		
<i>Public Comment Period</i>				<i>Comments due 9/11</i> 	
<i>Public Webinar #2: Review of Draft Program Proposal & Report</i>				<i>We are here</i> → 	
Final Program Proposal & Report					 9/30

Process | DNV and Current Energy Group's approach to program design and development

Objective

Develop a front-of-the-meter (FTM) distributed energy resource (DER) program that delivers benefits that exceed costs to Maine ratepayers while meeting requirements of 35-A M.R.S. §3209-I.



Framework & Program Design Process

Framework Design | Two guiding questions inform program design and research efforts

What?

What grid services and value streams should be recognized?



[GMLC Terms and Definitions Report, July 2023](#)

How?

How will the services be compensated, and how will costs be recovered?

Key design features:

1. Procurement mechanism
2. Price determination
3. Grid costs measurement, recovery
4. Technology or performance requirements
5. Compensation structures

[Distributed Energy Resource \(DER\) Integration Framework: Regulatory Innovation for DER Compensation and Cost Allocation. January 2025.](#)

Framework Design | DER potential for Maine

**DERs provide many services to the grid and are well-suited to Maine's specific needs.
Several of these services can contribute to lower costs for ratepayers.**

Maine's Needs & Goals



Meet Increasing Load Growth

Electric demand in Maine is projected to approximately double by 2050.



Advance Clean Energy Goals

Maine seeks to achieve a 100% clean electricity system by 2040.



Investment Deferral

Distribution costs have increased significantly, largely due to infrastructure investment costs.



Reliability & Resilience

Maine experiences high rates of electricity interruption due to weather events and infrastructure challenges.

DERs can...



Be constructed quickly and cost-effectively with supply close to load.



Generate more energy in-state, reducing reliance on imported fossil fuels. Energy supplied closer to demand reduces line loss and can reduce ratepayer costs.



Defer capital expenses with alternative solutions, avoiding or delaying traditional infrastructure investments.



Provide backup power and manage voltage and frequency in specific grid locations during times of major grid stress (e.g., weather events).

Integrated Grid Plans (IGPs) Through Integrated Grid Planning, CMP and Versant develop ten-year grid plans that can help identify the most effective opportunities and locations for DERs to meet load growth and resiliency needs (e.g., generation, storage, integration).

Framework Design | Program Approaches

Three conceptual program approaches considered in this work

Avoided Cost	Administratively determined compensation, in which each participating resource receives equivalent incentives.
Distribution First	Projects are constructed and operated primarily to serve distribution-level, zonal needs as informed by resource planning and network requirements. Wholesale market participation is possible, but resource locations and operation prioritize distribution system service and values.
Wholesale First	Projects are built and operated to participate in wholesale markets through FERC 2222. Distribution-level services are possible but are not the siting or operational focus of DER resources.

We considered additional variants and methods for compensating DERs, which can be reflected in the above approaches in some cases.

Value of DER

Non-Wires Alternatives

Load Reduction Programs

Framework Design | Analysis of Approaches

	Benefits	Drawbacks
Avoided Cost	▪ Relatively simple to administer ▪ Revenue, price certainty for developers ▪ Recognizes grid values that are difficult to observe, validate	▪ Prices can be artificially high or low (due to analytic valuation) ▪ Available information can limit accuracy of resource and siting
Distribution First	▪ Recognizes range of DER values, including proximity to load ▪ Values go beyond capacity energy, capacity offsets	▪ Inconsistent or dynamic system needs can create diverse contracts ▪ Contingent on maturity, capacity of utility planning processes (i.e., IGPs)
Wholesale First	▪ Leverages existing market structures and product definitions ▪ Competitive and transparent	▪ May not unlock distribution-system values ▪ No pre-set rate, which can make projects harder to finance ▪ Could overlook or add to costs of distribution network upgrades

A hybrid approach can **maximize program benefits** and **minimize drawbacks**.

Straw Proposal

Straw Proposal | Overview

The straw proposal is designed to deliver a “stack” of values tied to grid services (e.g., energy supply, reduced need for capital investments) through two compatible, stackable parts.

Part 1: Standard Offer Block

Value & compensate verifiable revenue streams in the Standard Offer Service.



Part 2: Distribution System Services

Compensate locational & temporal grid services.



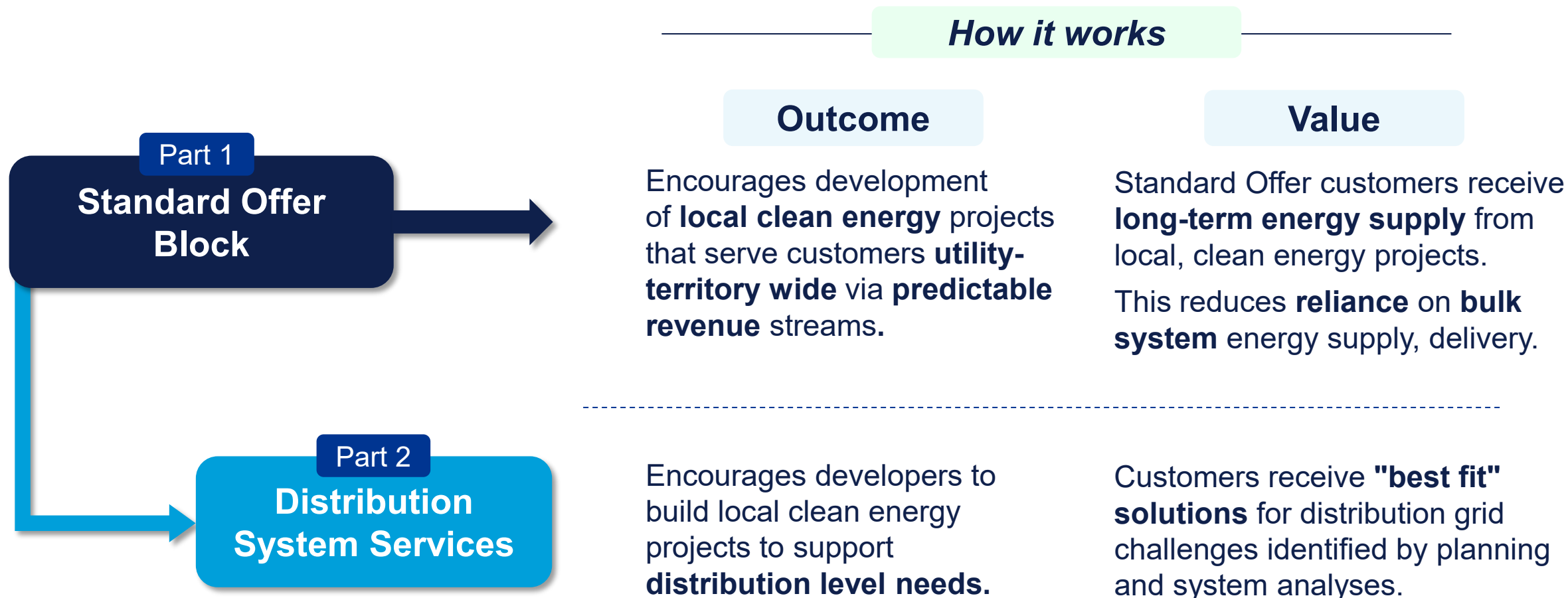
Straw Proposal Illustrative Value Stack

Value to Maine Ratepayers (\$)

Standard
Offer Block

Distribution
System
Services

Straw Proposal | Overview Continued



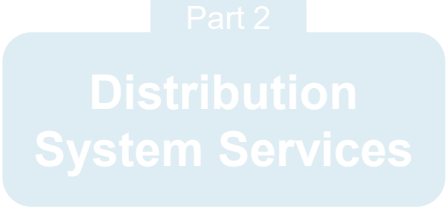
Straw Proposal | Standard Offer Block

Values Compensated



1 Long term contracts for delivered energy →

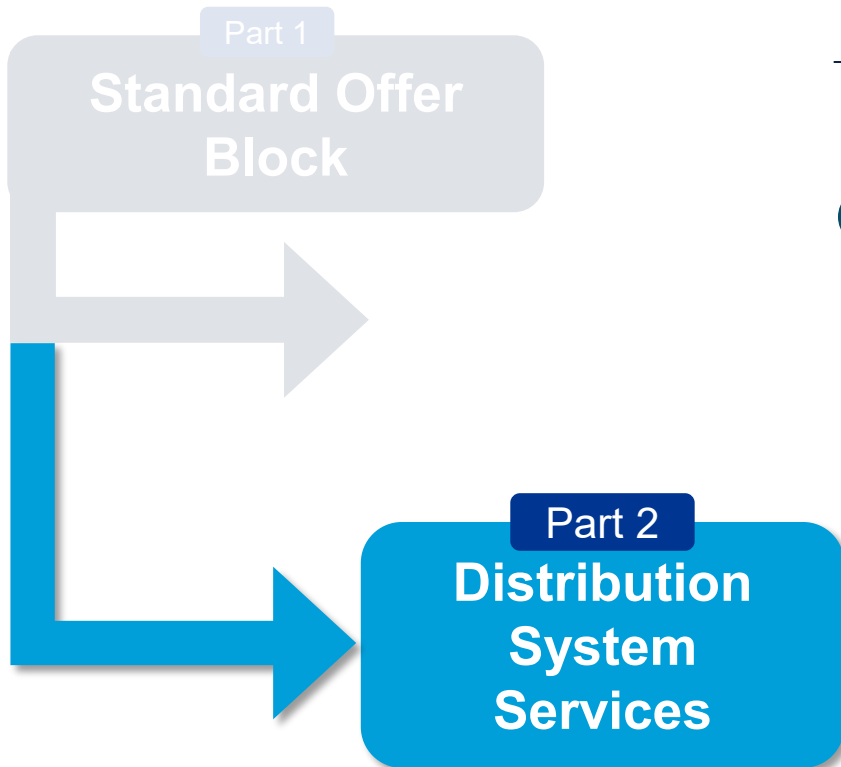
- Contract pricing could contain:**
- Avoided cost analysis
 - Informational solicitation
 - Competitive solicitation
 - Modified Standard Offer retail rate
 - Combination of the above
 - Value delivered through predetermined requirements such as performance, dispatch, environmental attributes
 - Products are bundled, integrated with Standard Offer Service supply obligations (supply hedge)



2 RECs compliant with Maine's renewable portfolio standard →

Maine Class I/Class IA RECs are applied to satisfy compliance with state RPS obligations.

Straw Proposal | Distribution System Services



Phasing Note: Distribution System Services would be procured only after planning and system analyses identify and define grid needs.

Selection of Potential Values Compensated

1 Grid Stability Services

Grid stability services, such as voltage management, substation load relief, reactive power, etc. are valued and priced using planning/system analysis results.

2 Avoided or deferred distribution infrastructure investments

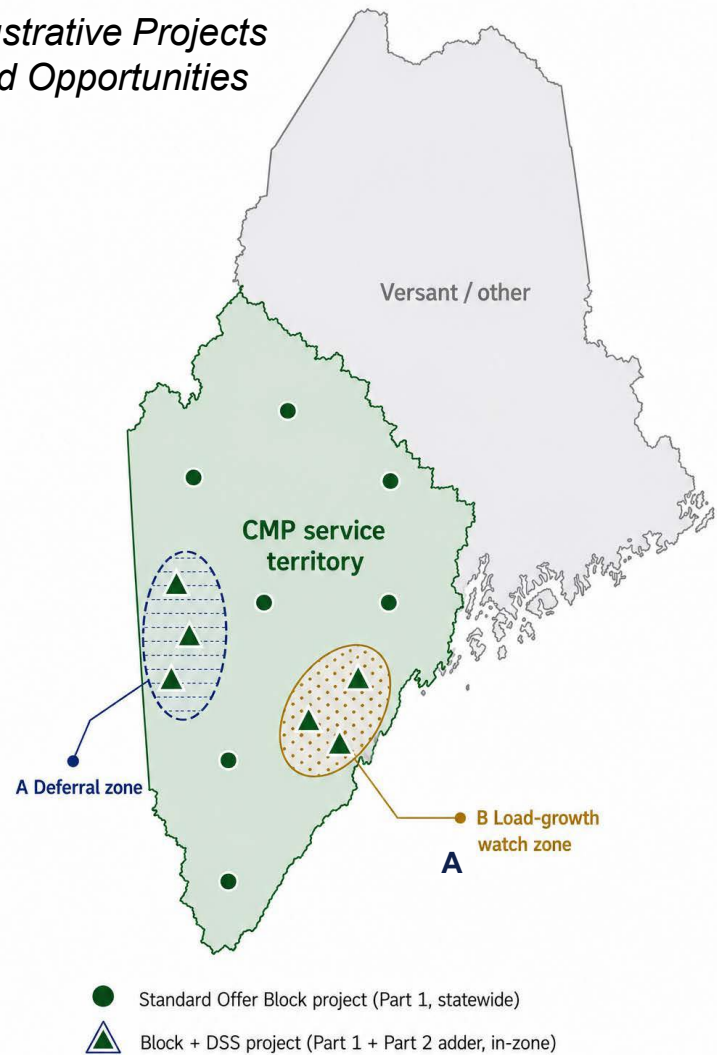
- Avoided or deferred distribution capital expenses are identified and priced using utility IGP results
- A \$0/unit price is possible for projects deployed at grid locations without identified needs

3 Distribution network peak & load management

- DERs manage and support network utilization and substation constraints
- Compensation reflects impact on net load during specific location and time

Straw Proposal | Standard Offer Block with Distribution System Service

Illustrative Projects
and Opportunities



Part 1: Standard Offer Block

Projects earn Part 1 anywhere in the utility service territory.

Part 2: DSS Opportunities

DSS Opportunity A: Deferral zones; named, dated needs

Where a grid plan identifies a specific deferrable investment, DSS pays \$/kW-yr on metered performance in posted windows, capped below the cost of the traditional fix.

DSS Opportunity B: Load-growth watch zones; future candidates

Areas where grid plans forecast rising peaks (e.g., growth corridors) but no investment is yet dated. Zones open when a need is named and close when it is served or built.

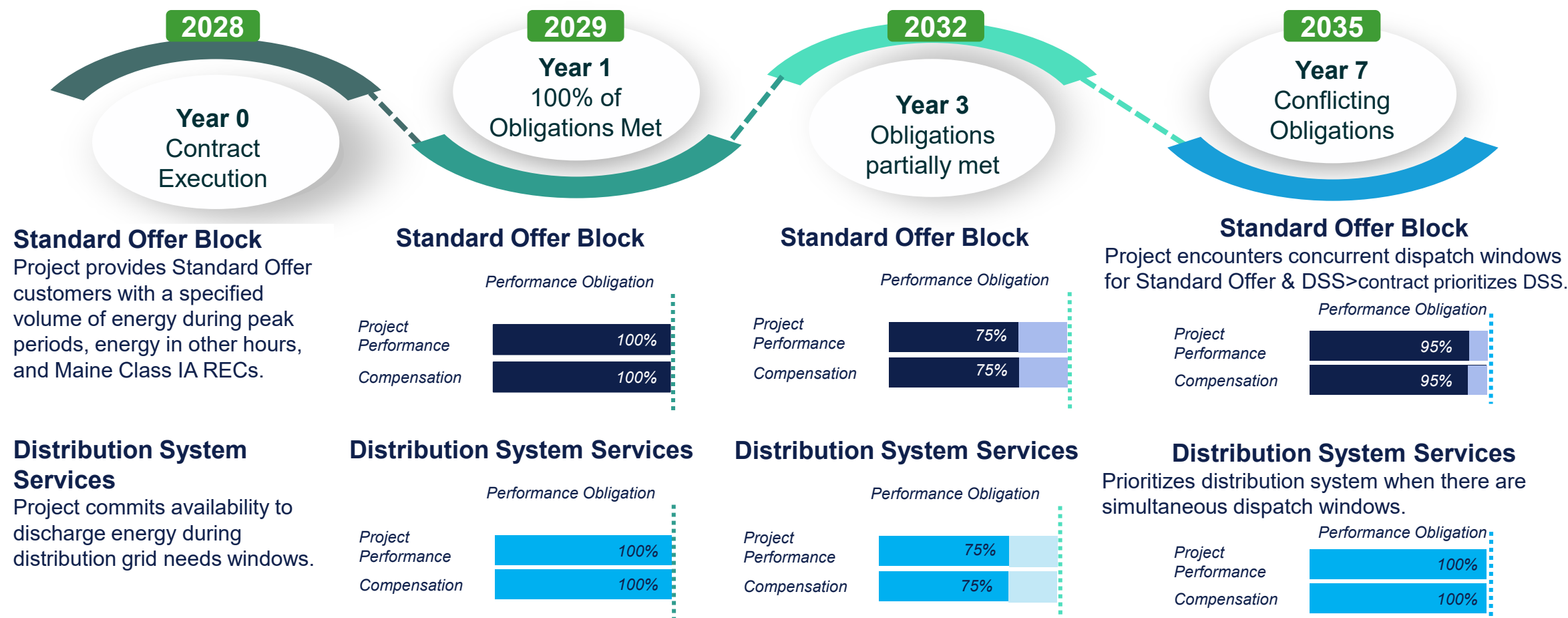
Everywhere else: \$0 adder

Straw Proposal | Example Program Model in Practice

3 MW Solar-Plus-Storage

Sited in constrained grid location
20-year contract

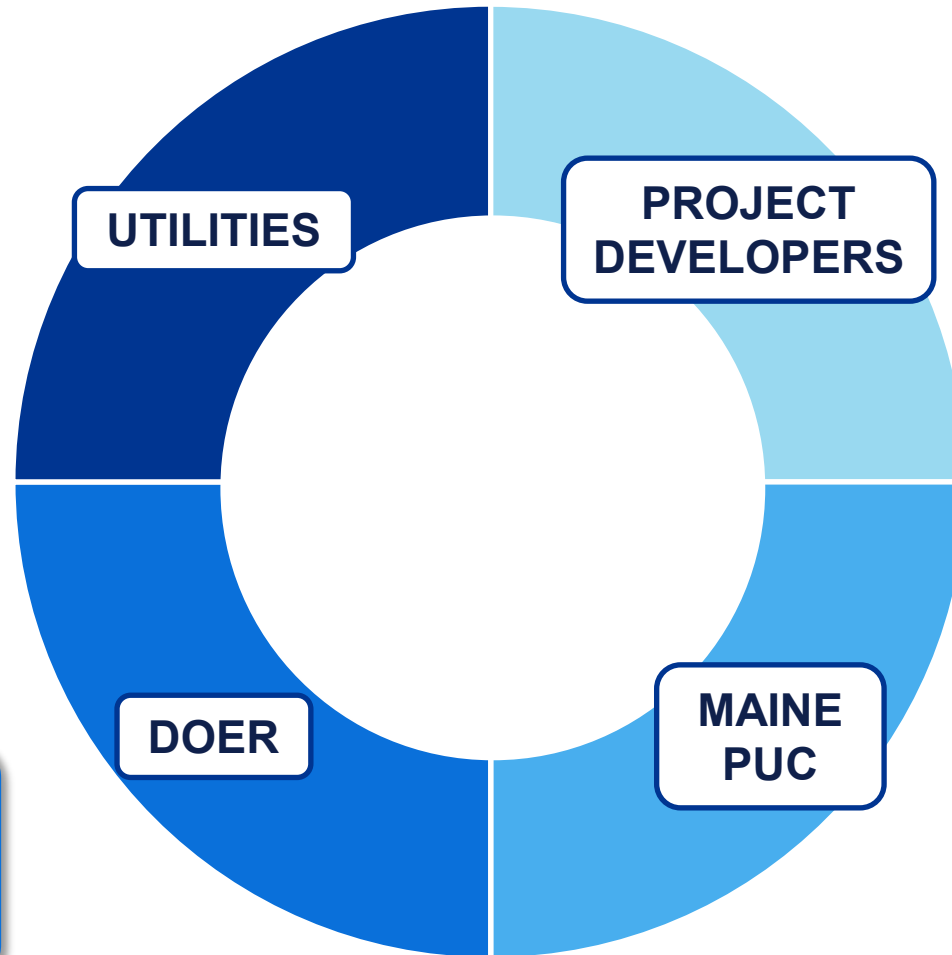
For the 2028 procurement block, MPUC approves tariff pricing for peak energy, off-peak energy, and Maine Class I/IA RECs. Distribution System Services are available for projects sited in constrained grid locations (as identified in utility IGP).



Straw Proposal | Key Roles & Responsibilities

- Counterparty to long-term agreements with DER project owners
- Identify resource requirements + grid needs through system planning processes
- Provide project interconnection, settlement, and billing functions

Subject to MPUC approval, assist with program implementation and administration



- Site, build, and operate FTM DER projects
- Coordinate interconnection and asset operations through tariff and long-term agreements

- Review program design and issue determination
- Oversee program implementation
- Confirm procurements align with planning/system analyses and state goals/requirements
- Facilitate Standard Offer Bid Solicitation

Straw Proposal | Implementation

How it works

Dispatch Priority

- Dispatch conflicts are addressed in agreements. **Distribution system likely first priority for dispatch.**
- Multiple payments for **concurrent, distinct grid services** during a single event are permissible.

Settlement

- Settlements reflect the **measured impact** that a project has on the grid.
- “**Revenue grade meter**” required to accurately assess and compensate for performance.

Interconnection

- **At launch:** Static, **flexible project interconnections** with a limit on curtailment events.
- **As capabilities mature:** Evolving grid controls/systems + dynamic interconnections can unlock **real-time asset responses to grid conditions.**

Aggregation

- **At launch:** Aggregations dispatch **according to contracted performance requirements.**
- **As capabilities mature:** **Maturing** system capabilities can deliver **dynamic grid services** from **aggregations** (e.g., DERMS).

Questions?

Sample Questions on Straw Proposal

1. **Price Setting.** Options for the Part 1 Standard Offer Block include an avoided cost analysis, an informational solicitation, a competitive solicitation, a modified Standard Offer retail rate, and a hybrid. Which of these options would be best?
2. **Capacity.** How should capacity be treated and valued in the proposal?
3. **Utility Planning.** What limitations exist that could hinder the implementation of DSS and how might they be mitigated or alleviated?
4. **Cost allocation.** What additional cost allocation options or considerations should be accounted for?
5. **What additional aspects** of an FTM DER program should be considered?

*Additional questions are included in the draft program proposal.
DOER is accepting written comments through September 11, 2026.*

Next Steps | Assessments

Benefit Costs Analysis: Determine whether the program design is ratepayer beneficial through the Utility Cost Test (UCT)

Electricity System & non-energy
avoided costs
Market revenues



DER system costs
Grid Integration costs
Grid operation costs
Program costs
Incentives

Feasibility Assessment: Identify potential barriers, implementation requirements, and trade-offs that may not be captured through quantitative benefit-cost (BCA) modeling.

Can the program be
launched within a
reasonable
timeframe?

Will the program be
attractive to industry
now and into the
future?

Will the program
create technical
challenges that could
inhibit feasibility?

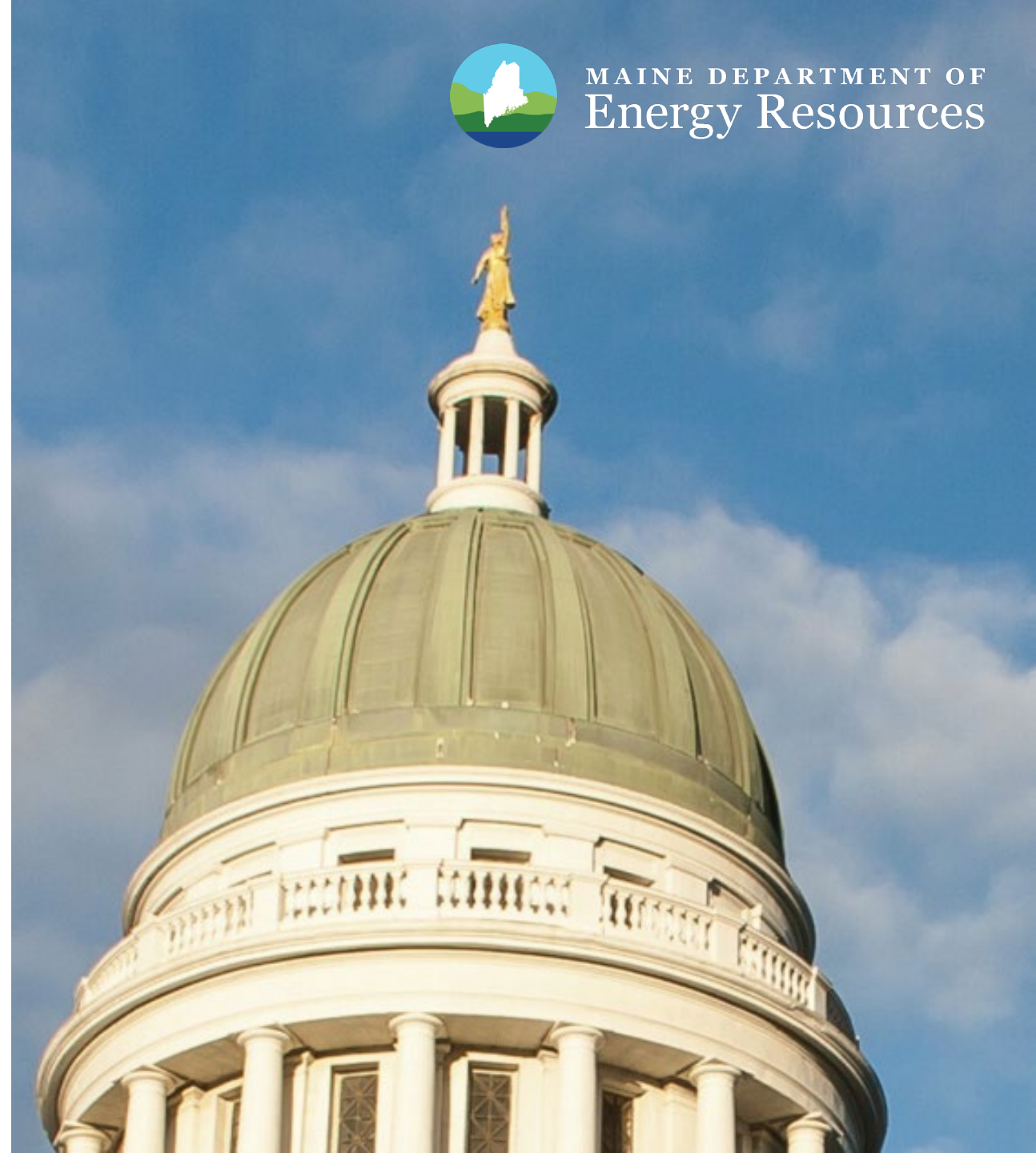
Will the program
design receive the
support needed for
successful
implementation?

Feedback Opportunities

- DOER is accepting written comments on the [Draft Program Proposal](#) through September 11, 2026
- In Section 6, DOER identifies specific topics where stakeholder feedback is particularly requested; however, commenters are encouraged to provide input on any matter relevant to the proposed program
- Written comments should be submitted by email to DOER@maine.gov
- Visit **maine.gov/energy** for the full draft proposal and comment instructions



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Thank You

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