



State of Maine
Office of the Public Advocate
112 State House Station, Augusta, Maine 04333-0112
(207) 624-3687 (voice) 711 (TTY) www.Maine.gov/meopa

Janet T. Mills
GOVERNOR

Barry J. Hobbins
PUBLIC ADVOCATE

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Chairman Lawrence, Chairman Berry and Members of the Energy, Utilities and Technology Committee,

The Office of the Public Advocate testifies neither for nor against LD 13 “An Act To Allow Microgrids That Are in the Public Interest” which directs the Maine Public Utilities Commission (“PUC”) to approve a petition to construct and operate a new microgrid if the commission finds the proposal to be in the public interest and the new microgrid meets other specified requirements, provides the PUC with the ability to impose such terms, conditions or requirements as, in its judgment, it considers necessary in approving a new microgrid and gives the PUC oversight to ensure reliability and security of the electrical system and consumer protections for new microgrid consumers. It specifies that a new microgrid does not become a public utility as a result of its furnishing electrical service to participating consumers. It provides that a new microgrid that has been approved by the commission may construct, maintain or operate its lines in, upon, along, over, across or under the roads and streets. The bill directs the PUC to submit a report to the joint standing committee of the Legislature having jurisdiction over energy and utility matters by January 15, 2021.

Please allow me to quickly give you some background. In the 128th Legislature LD 257 “An Act to Enable Municipalities Working with Utilities to Establish Microgrids” came before this committee. A Public Hearing was held as well as 5

work sessions. This committee directed that a stakeholders group assemble in order to work together to develop a broad and specific allowance for microgrids that would not require incentives, have ratepayer impact and would use the Department of Energy definition of a microgrid. (The Department of Energy defines microgrids as “a group of interconnected loads and distributed energy resources with clearly defined electric boundaries that acts as a single controllable entity with respect to the (electric) grid and can connect and disconnect from the (electric) grid to enable it to operate in both (electric) grid-connected or island mode.”)

The OPA participated in this stakeholder group which met twice without a consensus being reached. Additional committee work sessions were held after the stakeholders met and a divided report was issued and the matter was reported out with a “ought to pass as amended”. LD 257 was later passed by both the House and Senate only to be vetoed by the former Governor which veto was sustained. LD 257 is now resurrected as LD 13 and is before you now.

LD 13 attempts to establish methods to allow municipalities in working with transmission and distribution utilities to create microgrids which could provide both electricity supply and delivery. This bill addresses generation of electricity from renewable sources into the microgrid, methods for adding capacity for storage and enabling a utility to manage the microgrid and appropriate rates.

The OPA further believes that more work is needed to determine the potential benefits of microgrids such as reliability and providing local system support but also to determine technical challenges as well as any potential rate impacts including cost effectiveness.

As was the case with LD 257 in the 128th Legislature and presently with LD 13, the OPA welcomes the opportunity to work with this committee and the stakeholder

group to address the issues raised and to find a pathway forward to the next generation of energy delivery.

Thank you for your time, attention and consideration of this testimony. The Office of the Public Advocate looks forward to working with the Committee on LD 13, and will be present at the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

A handwritten signature in cursive script, reading "Barry J. Hobbins".

Barry J. Hobbins
Public Advocate