**Maine Office of the Public Advocate Climate Impact Report**

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 **August 2024**

**Introduction**

The Office of the Public Advocate (OPA) is addressing the consumer impacts of climate change policies before the Public Utilities Commission and the legislature. This Climate Change Policy Report gathers the PUC dockets and pending legislation related to climate change. The OPA representation helps to ensure that statutory mandates are fulfilled that require utilities to not only provide reliable service at affordable rates but also reduce greenhouse gas (GHG) emissions to meet the state’s GHG reduction goals. As Maine responds to climate change, the OPA remains the trusted source for utility-related information.

**Climate Change Dockets**

**New England Aqua Ventus PPA Negotiations No. 2022-00100**

The Bureau of Ocean Energy Management (BOEM) announced that it completed its Final Environmental Assessment (Final EA) of an offshore wind research lease in the Gulf of Maine. BOEM found that the research lease would have no significant impact on the environment. BOEM stated:

“Floating wind technology can make offshore wind a reality in the Gulf of Maine,” said BOEM Director Elizabeth Klein. “BOEM will continue to work in partnership with the state of Maine as we move forward to facilitate the responsible development of offshore wind in this region, as well as the deployment of floating offshore wind technology nationwide.”

The OPA is participating in negotiations at the PUC regarding the possible terms of a Purchase Power Agreement (PPA) for renewable offshore wind energy and research. Under Public Law 2021, Chapter 327, *An Act to Encourage Research to Support Maine Offshore Wind (OSW) Industry,* the PUC must determine whether the terms of a PPA represent “the lowest reasonable cost to ratepayers, while ensuring the pricing structure is sufficient to enable the financing, construction and operation of the research array by New England Aqua Ventus, LLC or its affiliate.”

**Inquiry Regarding Climate Change Protection No. 2023-00282**

The challenges of climate change include increasing frequency and intensity of storms. For example, CMP’s total incremental storm restoration costs increased from approximately $55M in 2017 to over $190M in 2023 (Docket No 2023-00038). The OPA proposes an investigation into cost effective investments to minimize the number of customers who lose power during storms as part of a more systemic response to climate change impacts.

**Battery Storage Ownership No. 2023-00316**

The OPA supports the efforts of the Governors Energy Office, the Legislature, and the PUC to maximize cost effective energy storage development while protecting ratepayers from excessive costs. Implementing energy storage will assist the state in meeting its clean energy and GHG reduction goals. The OPA supports the PUC’s recommendation that any use of ratepayer funds to procure energy storage through long-term contracts or similar ratepayer subsidies, should be limited to projects that demonstrate benefits to ratepayers.

 **Rate Design No. 2023-00230**

A major component of stranded costs are the costs of environmental policy initiatives paid through electricity charges, such as the costs of Net Energy Billing (NEB). The PUC is implementing a rate design that recovers NEB costs through the fixed monthly customer charge. The OPA argued that customers who use little electricity are disproportionately impacted by a large fixed monthly charge. The OPA recommends the PUC use an alternative rate design that would mitigate bill impacts for lower-usage customers and improve fairness. The OPA requests the PUC keep the docket open to further investigate ways to implement rates that more equitably collect the costs associated with NEB.

**Net Energy Billing Multiple Dockets**

The OPA supports Maine’s initiatives to meet the State’s clean energy goals. The OPA favors small solar projects designed to supply electricity to local participants without a large state subsidy. The OPA continues its efforts to revise Net Energy Billing (NEB) policies to reduce rate impacts on customers. An economics expert hired by the OPA projects that in 2024, ratepayer costs for NEB are likely to increase to over $300 million per year.

**Non-wires Alternative Investigations Multiple Dockets**

The PUC rejected the OPA’s proposal to reduce construction costs by $18M in the Highland substation case (Docket 2023-00268). The OPA argued that ratepayers should not bear the risk of an investment that may not be needed if new load does not come online. The Commission determined that even though the load growth was uncertain, it was better to add infrastructure during the initial construction period instead of requiring additional project review after the load forecast is certain.

**Grid Planning No. 2022-00322**

The stakeholders are awaiting a PUC proposal that incorporates stakeholder input regarding utility grid plans. Utilities are updating their grid plans to support increasing use of Electric Vehicles (EVs), heat pumps and interconnecting Distribute Energy Resources (DERs). CMP held a stakeholder session where the OPA, Efficiency Maine Trust and other interested parties asked questions regarding CMPs system planning. Under the implementing legislation, the utilities will have 18 months to complete their grid development plans for review.