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**Testimony In Support of
LD 1887, “An Act to Clarify the Review and Procurement Process for Nonwires
Alternatives”
May 16, 2023**

Senator Lawrence, Representative Zeigler and distinguished members of the Joint Standing Committee on Energy, Utilities, and Technology,

My name is William Harwood, here today as Public Advocate, to testify in support of LD 1887, “An Act to Clarify the Review and Procurement Process for Nonwires Alternatives.”

In 2019, the Maine Legislature passed the NWA Act (P.L. 2019, Chapter 298) in an effort to lower electric rates. The law’s purpose was and remains to reduce electricity costs by requiring the utilities and the Public Utilities Commission to consider alternatives to traditional utility wire projects. The NWA Act directs the OPA to contract with an expert in electrical system design, the NWA Coordinator, to provide advisory solutions for transmission and distribution development and investment. The OPA works with the NWA Coordinator, Efficiency Maine Trust, and the utilities to find less expensive and equally reliable investments to meet system requirements. Total projected ratepayer savings to date are \$22,000,000 - \$23,000,000. We have attached more information to this testimony.

LD 1887 proposes improving the NWA Act by clarifying that substation projects are subject to the NWA Act. The original statute used the phrase “associated infrastructure.” There is a difference of opinion as to whether substations are part of “associated infrastructure.” The bill clarifies that. The OPA supports this change as nonwires alternatives



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traditional substation rebuild projects can provide ratepayer savings. The bill also removes the term “non-transmission alternative” as that is now a part of “nonwires alternatives.”

The OPA proposes that the bill be amended to clarify the procurement requirement by changing the word “competitively” to “prudently” in Section 13 of the bill in order to conform to existing PUC practice for implementing the NWA Act. It is important the utilities comply with the well-established standard that in order for the utility to recover in rates any of its expenditures, the expenditure must have been “prudently” incurred. Adding a standard of “competitive procurement” may create confusion as to whether a full-blown competitive bidding program is required, similar to what is required of state agencies when purchasing certain items. Maine utility regulation has never included a formal competitive bidding requirement for utilities and the utilities and PUC do not have systems in place to handle formal challenges and disputes brought by disappointed bidders.

Our Office looks forward to working with the sponsor and other interested parties to amend the bill further if there are other technical edits that need to be made.

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 1887 and will be available for the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

William S. Harwood
Public Advocate

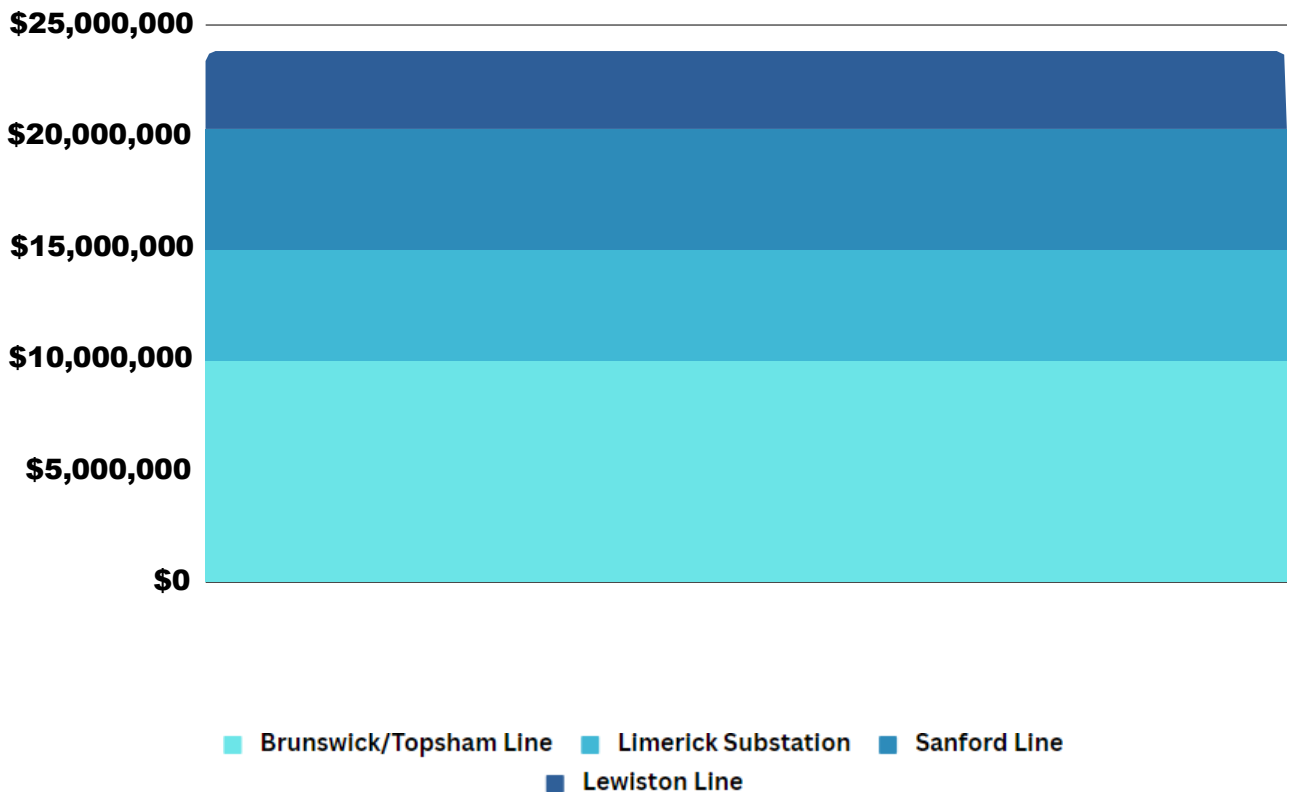


Nonwires Alternatives Projected Ratepayer Savings To-Date



Maine law directs the Office of the Public Advocate (OPA) to contract with an expert in transmission and distribution (T&D) system design to analyze utility wire projects. The projects are reviewed to determine whether reliability can be met more cost-effectively using Nonwires Alternatives (NWAs) instead of traditional utility wires infrastructure.

Total Saved: \$22-\$23 Million



Project	Details
<p>Central Maine Power's (CMP) transmission line in the Brunswick/Topsham area (Section 31)</p> <p>NWA Ratepayer savings are projected to be \$9,927,771</p>	<p>The NWA Coordinator (NWAC) identified a cost-effective alternative to rebuilding Section 31. This NWA removes a section of the transmission line and Brunswick Westside substation. It includes upgrades to the local system to improve reliability plus investments in energy storage and energy efficiency to support the system if there is a loss of a major system component during periods of highest summer use.</p>
<p>CMP's substation project in Limerick</p> <p>NWA Ratepayer savings are estimated to be \$5,000,000</p>	<p>CMP determined a substation transformer was becoming overloaded during periods of highest summer use. The system had insufficient back-up capability if a transformer failed. The NWAC reviewed CMP's study assumptions and models for CMP's proposed solution to determine if a more cost-effective NWA was available. During the NWAC review, CMP found an alternative solution using existing inventory that could more quickly and cost-effectively address the current overloading during normal operations. The only cost was the additional labor to install the backup transformer.</p>
<p>CMP's transmission line in the Sanford Area, (Section 113).</p> <p>NWA Ratepayer savings are estimated to be \$5,400,000</p>	<p>CMP conducted a cluster study in the Sanford Area to measure the impact of Distributed Energy Resources (DER) proposed for interconnection. CMP identified a system overload condition. Upon reviewing the assumptions used in the cluster study, the NWAC determined that the overload would only occur after DER interconnection. Therefore, ratepayers were not responsible for the upgrades needed for DER in this area.</p>
<p>CMP's transmission line in the Lewistown Area, (Section 76).</p> <p>NWA Ratepayer savings are projected to be \$2,000,000 to \$3,500,000</p>	<p>The NWAC determined that there is a technically feasible and cost-effective NWA to reduce existing overloads on Section 76. The NWA will support DER interconnections until a complete line upgrade takes place. The NWA saves ratepayers \$2,377,208 to \$3,578,865 based on the deferral of the revenue requirements for three to ten years.</p>