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

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**September 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. The OPA representation helps to ensure that statutory mandates are fulfilled which require utilities to not only provide reliable service at affordable rates, but also to reduce greenhouse gas (GHG) emissions to meet Maine’s GHG reduction goals. As Maine responds to climate change, the OPA remains the trusted source for utility-related information. This Climate Change Policy Report provides a snapshot of Public Utilities Commission dockets and pending legislation related to climate change.

**Climate Change Related Dockets**

**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 as part of a more systemic response to climate change impacts.

As part of its inquiry, Commission Staff reached out to Lawrence Berkeley National Laboratory regarding resources and assistance on climate change plans for utilities. The Commission is now planning workshops on best practices and resources for utilities to help them develop their plans. The Commission will open a proceeding soon to address the storm specific issues raised by the OPA.

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

Section 3145 of Title 35-A establishes a goal of deploying at least 300 MW of energy storage by the end of 2025 and at least 400 MW by the end of 2030. A major contributor to meeting this goal is Battery energy storage system (BESS) developer Plus Power LLC. Plus Power is constructing Cross Town, a 350 MWh energy storage facility located at Gorham Industrial Park in Gorham, Maine, just outside of Portland. <https://pv-magazine-usa.com/2024/01/09/plus-power-to-construct-175-mw-350-mwh-energy-storage-in-maine/>

The Cross Town Energy Storage Project began construction in February of this year and is scheduled to come online in summer 2025.

The OPA supports the efforts of the Governor’s Energy Office, the Legislature, and the PUC to maximize cost effective energy storage development while protecting ratepayers from excessive costs. In its March 2024 Report to the Legislature, the PUC recommended 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. <https://www.maine.gov/mpuc/sites/maine.gov.mpuc/files/inline-files/PUC-2024%20Energy%20Storage%20Report.pdf>

**Rate Design**   **No. 2023-00230**

In a recent Order, the Commission declined a request to hold off implementation of the increases to fixed customer charges on electric bills. The Commission found that “until a change in rate design is determined appropriate in the follow-on proceeding, the fixed charge rate design is the currently effective rate design. For this reason, the Commission will not be implementing a stay of new stranded costs rates effective July 1, 2024.” A major component of the new fixed rate charge are stranded costs.. “Stranded costs” are payments the Commission allows utilities to collect from ratepayers for the costs of public policies mandated by the legislature, 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.

**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.

**Grid Planning**   **No. 2022-00322**

Recently several Nongovernmental organizations - Acadia Center, Conservation Law Foundation, Maine Conservation Voters, the Natural Resources Council of Maine, Sierra Club Maine, and the Union of Concerned Scientists – submitted recommendations to the Commission to include consideration of cost-effective alternatives to the hardening of conventional poles-and-wires infrastructure for climate change related grid planning. The Commission’s grid planning docket is in response to “An Act Regarding Utility Accountability and Grid Planning for Maine’s Clean Energy Future,” Public Law 2021, ch. 702 (Act). The Act requires the Commission to initiate a proceeding once every five years to identify the priorities to be addressed in required filings by Maine’s two investor-owned electric T&D utilities regarding a grid plan that will assist in the cost-effective transition to a clean, affordable and reliable electric grid. 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. The PUC is expected to issue its requirements for utility plans soon.