



# **Nonwires Alternative Assessment**

## **Public Law 2025, chapter 293**

Submitted to the Joint Standing Committee on  
Energy, Utilities and Technology

February 27, 2026

Maine Public Utilities Commission  
18 State House Station,  
Augusta, ME 04333

## I. Executive Summary

The Commission presents the following report regarding the nonwires alternative (NWA) investigation and recommendation process, pursuant to Public Law 2025, chapter 293. Based on the Commission's review of the process, and input from the utilities and stakeholders, the Commission recommends some statutory changes that could help increase transparency and improve the process. In addition, some of the commenters suggested exploring certain topics in more detail. The Commission recommends that it, through other Commission proceedings, further explore these topics and report back to the Legislature. There are other significant areas where stakeholders and utilities have differing views which the Commission identifies for possible legislative consideration or alternatively to include in the other Commission proceedings and report back to the Legislature.

## II. Background

### Public Law 2025, chapter 293

During the 2025 legislative session, An Act to Enhance the Coordination and Effectiveness of Integrated Distribution Grid Planning was enacted (the Act).<sup>1</sup> The Act provides in part:

**Sec. 6. Assessment of nonwires alternative process.** In consultation with the Efficiency Maine Trust and the Office of the Public Advocate, the Public Utilities Commission shall conduct a review of the nonwires alternative investigation and recommendation process established in the Maine Revised Statutes, Title 35-A, section 3132-C. The commission's review must assess the efficiency of that process and consider how that process is incorporated into integrated grid plan filings submitted by large investor-owned transmission and distribution utilities in accordance with the requirements established by Title 35-A, section 3147. The review must include the opportunity for stakeholders to provide comments to the commission. The commission shall develop recommendations for changes to the nonwires alternative investigation and recommendation process based on its review, which may include recommended legislation to better integrate nonwires alternatives into the requirements for grid plan filings. By March 1, 2026, the commission shall provide a report of its recommendations to the Joint Standing Committee on Energy, Utilities and Technology. The committee may report out a bill related to the report to the Second Regular Session of the 132<sup>nd</sup> Legislature.

### Notice of Inquiry

On August 25, 2025, the Commission met, and consulted, with the Office of the Public Advocate (OPA) and the Efficiency Maine Trust (Trust) to discuss potential changes to the current process. The Commission proposed opening an inquiry docket to solicit feedback and noted that it had identified a number of issues in prior cases involving NWAs that could also be considered. The Commission met again with the OPA and the Trust to discuss the inquiry on October 23, 2025.

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<sup>1</sup> Public Law 2025, chapter 296

On November 14, 2025, the Commission opened the inquiry<sup>2</sup> and outlined a number of issues for stakeholder and utility comment needed to develop a straw proposal and/or the report to the Legislature. Comments were due December 12, 2025. Central Maine Power Company (CMP) and the OPA requested a one-week extension and the deadline for all commenters was extended to December 19, 2025. The Commission solicited reply comments by January 14, 2026, and provided all commenters with the opportunity to supplement their reply comments by January 21, 2026. Comments were filed by the OPA, the Trust, the Natural Resources Council of Maine (NRCM), the Acadia Center, CMP, Versant Power (Versant), and Peter Evans. On February 10, 2026, the Commission issued a draft report for stakeholder comment.<sup>3</sup> Comments were due February 18, 2026. The Commission received comments from the OPA, CMP, Versant and Peter Fitzgerald. The OPA, CMP and Versant were supportive of the approach taken in the Commission's report (specific aspects they identified in their comments are discussed below) and Mr. Fitzgerald commented on the importance of the current conversation about the NWA process.

### III. Main Issues

#### Increase Transparency and Formalize Requirements for NWA Investigation, Recommendation and Procurement Process

##### Summary of Comments

The OPA, the Trust, NRCM and the Acadia Center recommend utilizing the Commission's Case Management System (CMS) to provide greater transparency to stakeholders into the development of NWAs. The Trust noted that the Nonwires Alternative Coordinator (NWAC), OPA, CMP and the Trust have worked collaboratively to develop file sharing protocols, sign agreements on common assumptions and hold regular meetings to discuss workflow and address inefficiencies but noted that this has not been in the public view. Title 35-A, Section 3132-C(3) provides that the utility shall provide data requested by the OPA and the Trust, subject to enforcement by the Commission, to allow the NWAC in conjunction with the Trust, to carry out its investigation and analysis under Section 3132-C. The OPA noted as well that these confidential discussions occur outside of a Commission docket. The Trust suggests that creating a public record of the development of major NWA reports could provide stakeholders with insight into this process. CMP raised concerns about potentially converting each NWA review into a separate docketed proceeding, explaining that not all projects screened through this process advance to Commission review largely due to cost and operational constraints, but supported the use of a Commission docket for limited data filings and Commission facilitated data requests which can improve transparency and enforce data collection.

The OPA suggested that when the utility submits a proposed solution to the NWAC, the utility could submit it to the Commission through CMS and receive a docket number. The NWAC could

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<sup>2</sup> *Maine Public Utilities Commission Inquiry Regarding Review of the Nonwires Alternatives Investigation and Recommendation Process*, Docket No. 2025-00307.

<sup>3</sup> The February 10, 2026 Procedural Order seeking comments on the draft report also requested that Versant include in its comments a description of its internal planning processes when performing local area studies, including identification of each stage and a description of what each stage consists of; the stage at which the OPA, the Trust, and the Nonwires Alternative Coordinator (NWAC) become involved; and the stage(s) which Versant involves its internal resources tasked with evaluating NWAs.

then use CMS to issue data requests, memorializing the timeline and thereby increasing the efficiency of the data exchange. A docket, the OPA, Trust, and Acadia Center added, would also create a forum for the Commission to enforce data collection as outlined in Section 3132-C. The Trust also noted that this could also allow the Trust to proactively target certain constrained areas through updates to its Triennial Plan. NRCM commented that using CMS would ensure that these exchanges of information conform to expected formats and deadlines to improve process efficiency. The OPA, NRCM, and the Acadia Center noted that while some of the information produced would remain confidential, stakeholders would have more insight into the NWA process.

NRCM also noted that the Commission created an NWA Information Repository docket<sup>4</sup> as a means of increasing transparency but asserts that a need remains for formal filing procedures, format, and other details which will improve process efficiency and the Commission's enforcement functions, and that the Commission has the ability to do this under its existing authority. NRCM and the Acadia Center also recommended that the Commission consider establishing a non-adjudicatory process or perhaps using the Integrated Grid Plan (IGP) process, for resolving technical issues that emerge during NWA cases, including disagreements about the benefit cost analysis (BCA)<sup>5</sup> methodology. CMP also supported a Commission docket exploring the BCA issues and establishing a uniform BCA analysis for NWA review.<sup>6</sup>

Title 35-A, Section 3132-C(4) provides that the NWAC include with any NWA recommendations a proposed plan for the procurement of the recommended NWA. The OPA, CMP, and Versant stated that this language would benefit from clarification. The OPA commented that although the statutes describe broad procurement responsibilities, ambiguity remains regarding how the NWAC's procurement plan should be structured and developed in practice. CMP interprets Section 3132-D as merely requiring the NWAC to identify whether the procurement involves behind the meter (BTM) or grid scale or front of the meter (FTM) solutions.

CMP further argues that the statute should ensure that utilities and not other third parties are the entity responsible for procuring, owning, and operating FTM NWAs. CMP maintains that non-utility procurement can present risks.<sup>7</sup> Versant similarly commented that utilities may be better positioned to manage procurement, contracting, and operational processes, subject to

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<sup>4</sup> *Maine Public Utilities Commission Nonwires Alternatives Information Repository*, Docket No. 2024-00321.

<sup>5</sup> Section 3132-C(2) requires in part that the NWA investigation set forth the total projected costs and annual carrying costs of the wires project and the NWAs over the effective live of the wires project and include a BCA that evaluates the cost-effectiveness of NWA as compared to the wires project.

<sup>6</sup> The Commission previously proposed creating requirements to facilitate the NWA investigation process including criteria for the BCA for NWAs, however, at that time, nearly all stakeholders, explained that they had been discussing these issues and the OPA recommended that the Commission direct stakeholders to collaborate and present a mutually agreed upon NWA investigation process to the Commission. See, e.g., *Maine Public Utilities Commission Inquiry of Nonwires Alternatives Investigation Process*, 2020-00125. The stakeholders did not ultimately bring a proposal to the Commission, issues such as the BCA were litigated in specific cases, and the 2020 docket was ultimately closed.

<sup>7</sup> Potential risks include but are not limited to the chosen solution not fully addressing the grid issue or meeting technical specifications; ensuring compliance with state mandates, ISO New England, Inc., the Federal Energy Regulatory Commission (FERC), interconnections standards, and reporting requirements; and introducing unqualified vendors or technologies that lack proven track records.

Commission oversight. Versant also notes that for BTM resources that are required to be contracted by the utility with the Trust under Section 3132-D(1), the Company would prefer to have direct contracts with Trust-procured resources to ensure and manage performance. Versant cites concerns with relying on quasi-governmental agency availability after business hours, on weekends, and on holidays when time-critical resource response is required for addressing reliability and operational issues. Peter Evans stated that grid needs should be framed with sufficient data and detail to invite third parties to provide grid services at a lower cost.

### **Discussion and Recommendation**

The Commission agrees that the formalization of, or requirements governing, the NWA process—including the specific deadlines, reporting requirements, and Commission enforcement—has merit. Not only would this improve data flows between the NWAC and utilities, but it also creates a platform to integrate future improvements to the NWA process. The use of the data request portal in CMS would allow the Commission to build a record, should disputes arise. Stakeholders hold differing views regarding data accessibility, particularly as it relates to third-party access to confidential customer data or critical electric infrastructure information (CEII).<sup>8</sup>

The Commission suggests opening an inquiry to work through the details of this formalization. It is the intention to find solutions that minimize unnecessary regulatory burdens. Opening a new docket for every project subject to NWA review, for example, could slow stakeholders considerably. As a result, perhaps, as the Trust suggests, this should be limited to larger projects. Pursuant to Section 3132-C, the Commission may enforce the exchange of data between the utilities and the OPA and the Trust for doing the NWA investigation, but the Commission is not part of this process. The Commission recommends adding to Section 3132-C the ability for the Commission to adopt routine technical rules regarding the NWA investigation, recommendation, and procurement process which may include the exchange of data, utility reporting requirements, and NWA procurements. The Commission recommends that the Legislature also clarify Section 3132-C(4) to require that the procurement plan identify component parts of the NWA as BTM or FTM consistent with Section 3132-D. If the legislative intent is to require a more detailed procurement plan, the Commission recommends additional clarification in the statute. The OPA, CMP and Versant were supportive of the report's recommendations to formalize aspects of the NWA investigation, recommendation, and procurement process.

With respect to comments by the utilities, the Legislature previously decided that for BTM solutions, the utilities must contract with the Trust, and for FTM solutions, the Commission may conduct a proceeding to determine if the utility or a third-party should deliver the NWA. The

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<sup>8</sup> FERC defines CEII as specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure (physical or virtual) that:

1. Relates details about the production, generation, transmission, or distribution of energy;
2. Could be useful to a person planning an attack on critical infrastructure;
3. Is exempt from mandatory disclosure under the Freedom of Information Act; and
4. Gives strategic information beyond the location of the critical infrastructure.

Commission notes that it could further explore these issues with the utilities and stakeholders in the inquiry and rulemaking dockets discussed in this report.

### Role of the NWAC

#### **Summary of Comments**

The OPA and the Trust stated that the purposes of grid infrastructure continue to change reflecting the multifaceted goals of clean energy policy, reliability and affordability and suggest that the NWA legislation could be modified to reflect these changes. The OPA and the Trust explained, for example, that the name of the NWA investigation process could be changed to independent infrastructure investment review indicating that the analysis is an opportunity for an objective review of major infrastructure investments of both wire and nonwire configurations to find cost-effective options. In their view, this is consistent with the existing definition of a NWA.<sup>9</sup> The OPA asserts that the “infrastructure, technology or application” language in the definition is very broad and incorporates wire reconfiguration as well as other alternatives and that the definition expressly uses the words “includes but is not limited to” to show that the list of possibilities is greater than what is specifically itemized in the definition. The OPA further argues that it is against the plain language of the statute to limit the means of saving ratepayers’ money to a few specific technologies. The Trust states that the NWAC’s independent engineering review, while not always resulting in an NWA, still creates ratepayer value through low cost and creative reconfigurations of utility proposals, and thus the current name is not technically accurate. The OPA further states that the technology involved in infrastructure upgrades is expanding rapidly and a broader phrase would better capture grid-enhancing technologies (GETs), flexible interconnections, alternative wire configurations, many types of NWAs and likely other options yet to be developed.

NRCM commented that to achieve the purpose of ratepayer savings through cost-effective investments, the options at the disposal of the NWAC should not be unnecessarily or arbitrarily limited. In NRCM’s view, the statutory definition of a NWA seems sufficient to afford the NWAC consideration of a full range of technologies, configurations, operational characteristics, and combinations. However, NRCM suggests modifying the statute to make it abundantly clear that the NWAC is not prevented from incorporating new technologies or other innovations in its reviews. CMP suggested expanding the definition to include other emerging technologies, stating this will reduce barriers to NWAs and provide more cost-effective alternatives.<sup>10</sup> The

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<sup>9</sup> Section 3131(4-C) defines NWA as “an infrastructure, technology or application that either individually or collectively defers or reduces the need for capital investment in the transmission or distribution system and addresses system reliability needs proposed to be met by the transmission or distribution system investment. ‘Nonwires alternative’ includes but is not limited to energy efficiency and conservation measures, energy storage, load management, demand response and distributed generation.”

<sup>10</sup> Barriers to NWA implementation cited by commenters included: cost (CMP, Versant); operational constraints (CMP, Versant); regulatory (CMP); the utilities’ lack of granular system data (OPA); lack of NWAC participation in early project development (OPA); regulatory impediments (OPA/Versant – greater regulatory certainty surrounding energy storage); asset condition which requires extensive replacement and often can’t be avoided by a NWA (OPA); conservative North American Electric Reliability Corporation (NERC) standards for reliability (OPA); the radial nature of many distribution components (OPA); and integrating generation into an increasingly complex grid (Versant).

Acadia Center also commented that solutions should not be limited and stated that they should include less expensive alternative routing, any of the technologies listed in the statute (e.g., energy storage, load management, demand response, etc.), in conjunction with an alternative transmission line route, or simply deferring the project entirely. NRCM and the Acadia Center also note that utilities have raised opposition to the scope or function of the NWAC and as a result some legislative clarification would be helpful.

CMP disagrees with the OPA and the Trust's suggestion to rename the process to an independent infrastructure review and asserts that the NWAC is not an independent electrical engineering consultant charged with developing or optimizing wire configurations. CMP states that under current law, the NWAC's role is not to propose wire solutions and that should not change. CMP notes that the definition of NWA includes energy efficiency, conservation measures, energy storage, load management, demand response, and distributed generation, but does not encompass traditional wire solutions and that wires projects are separately defined in Section 3132-C and should not be conflated with NWAs.<sup>11</sup> CMP asserts that reviews of wire solutions' prudence and wired alternatives should be handled by the Commission while the NWAC's review should focus strictly on NWAs including emerging and non-traditional technologies and strategies, not traditional wires projects.

The OPA, in its comments on the draft report, suggested this issue could be resolved with a Commission order authorizing such a wires alternative (in a Certificate of Public Convenience and Necessity (CPCN) proceeding) but argued that until then the OPA's efforts are impeded and therefore legislative clarification would be the most efficient way to resolve this question. CMP, on the other hand, asserts that scope changes of this magnitude carry cost and timing implications for customers and investment planning and that these impacts should be evaluated comprehensively and holistically in a Commission proceeding together with related issues such as formalizing the process, the timing of NWAC engagement, and integration with the IGP process. In the meantime, CMP argues that the NWAC's review should continue to focus on NWAs or hybrids (combined NWAs and traditional wires solutions).

### **Discussion and Recommendation**

The NWA analysis provides an important function in the current grid planning framework. In the Commission's IGP Order the Commission identified three priorities to be addressed in the utilities' IGPs, and a potential means of achieving the reliability and resiliency improvements priority is to "[r]educe barriers to promote cost-effective NWAs solutions and identify any process improvements/efficiencies."<sup>12</sup> No NWA solution brought to the Commission has been implemented to date, and commenters cited various barriers to NWA implementation currently, but note flexible interconnections and emerging technologies, for example, will help address these barriers going forward.

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<sup>11</sup> Section 3132-C(1) defines wires project as "a transmission line and associated infrastructure subject to the requirements of section 3132, a transmission project or subtransmission project as defined in section 3132-A or a small transmission project or distribution project covered by section 3132-B."

<sup>12</sup> *Maine Public Utilities Commission Proceeding To Identify Priorities for Grid Plan Filings*, Docket No. 2022-00322, Order at 22 (July 12, 2024).

Under the existing NWA definition in the statute, the NWA may not be as limited as the utilities argue; however, the Commission notes that there is some ambiguity in the language. The term infrastructure in the definition can be interpreted broadly, even though the examples cited in the definition may support a more narrow reading of the statute. Redefining the scope of the NWA review by reframing the work as an independent infrastructure review may not increase efficiencies or outcomes, but it may add transparency to an otherwise opaque planning process. Additionally, because NWA solutions often contain both non-wires and traditional wires components, limiting the scope of the NWAC to only NWAs would not improve process efficiency or outcomes. The NWAC is currently doing some of this analysis although commenters differ on whether that is appropriate.

Outside of the NWA review, CMP argues that the OPA, as a party, already has the authority to propose alternative solutions during transmission project proceedings that would relate to the traditional infrastructure investments. However, parties may not feel they have the benefit of the alternative analysis early enough in the process to properly consider alternatives. If the intent is for the NWAC to perform an independent engineering review of the utility proposed solutions, then the Legislature may want to change the name from NWA investigation to independent infrastructure investment review. If, however, that is not the intent, then limiting the definition of “infrastructure” would help clarify the role of the NWAC. As a result, the Legislature may want to clarify the definition of NWA and the role of the NWAC. Alternatively, the Commission could further explore these issues with stakeholders and the utilities and include it in a report back to the Legislature.

### Should Utilities Do NWAs Analysis

#### **Summary of Comments**

CMP and Versant incorporate NWA analyses in their planning process and assert that they are best positioned to identify NWAs through comprehensive planning and operational accountability. While the OPA noted that its understanding is that utilities do undertake some kind of NWA analysis when determining necessary system upgrades, the OPA and the Trust assert that the statute delegates responsibility for NWA analysis to the NWAC.

CMP strongly opposes the suggestion that utilities should not have the ability to incorporate NWAs into system planning and instead rely solely on the NWAC. CMP asserts that to date, the NWA process has not produced any viable nonwires solutions noting operational and cost barriers that currently impede NWA implementation. CMP explained that it employs a comprehensive data-driven planning process with continuous monitoring, structured analytical triggers, and targeted studies that evaluate both wires and nonwires options. An interdisciplinary internal NWA team, integrated with transmission and distribution (T&D) planning, screens candidate projects, conducts technical review, and ensures NWA considerations are addressed before projects advance to external NWAC review. CMP argues that its team of engineers and experts familiar with its system and territory cannot be replicated and should not be handicapped by the OPA’s suggestion which, in its view, threatens to stifle innovations, limit the potential for effective solutions, and risks imposing unnecessary additional costs on customers.

CMP also states that its inaugural IGP provides a high-level system outlook and informs, but does not replace, project level NWA analysis. CMP asserts that this integrated vantage point enables utilities to pinpoint where NWAs can credibly and reliably address specific needs and

design procurement pathways that align with grid operations and ratepayer value. CMP also commented that it sees opportunity for greater utility identified non wires solutions through adoption of flexible interconnections regulations and emerging technologies and notes that flexible interconnections can also enhance the use of distributed energy resources (DERs), under certain conditions to support the T&D systems by providing additional operational flexibility.

The OPA also suggested that if the NWAC were involved earlier in the process (i.e., in the utilities' local area studies), some of the redundancy of both the utility and the NWAC undertaking NWA analyses could be avoided. The OPA asserts that stakeholders need to review the load forecasts, spot loads, and comment on distributed generation assumptions before the utility inserts these assumptions into its system models and that involving the NWAC in the local area studies would avoid duplication and catch errors earlier in the process. The Trust similarly commented that early stakeholder involvement could save considerable time and effort in the development of models and vetting of solutions.

CMP however argues that utility customers will not benefit from this and asserts that the fact that the NWA process has not identified a viable NWA or an alternative wires solution that addresses all identified needs, highlights that the utility is indeed identifying the correct solutions. As discussed above, CMP notes that should the OPA want to evaluate CMP's proposed wire solutions for alternative wire solutions they can do that pursuant to the authority granted to them under current law to review utility proposals during the Commission review process of transmission projects without unnecessarily expanding the scope of the NWA process. The OPA, Trust and CMP also disagree on the results of the current NWA process to date.

### **Discussion and Recommendation**

While the NWAC performs a critical role in the process, system planning is ultimately one of the utility's core functions. Pursuant to Title 35-A, Section 301, the utility has the obligation to provide safe, reasonable and adequate services at just and reasonable rates. The Commission expects that when the utility is evaluating solutions for needs it has identified during its planning process, that all options will be considered that would result in a safe, reliable and cost-effective solution. For the utility to ignore this fundamental duty, it may be subject to a prudence review when seeking rate recovery for capital investments.

While the OPA and the Trust argue that the potential for duplicated costs exists, it is necessary to place this expectation on the utility so that it encourages a culture of innovation and cost consciousness. As the OPA and others argue, should the role of the NWAC be interpreted broadly to include a full range of solutions through an independent engineering review, limiting the utility's ability to explore all feasible solutions while allowing the NWAC to propose alternative wires solutions would be asymmetrical. The desired outcome for all parties should be identifying the best solution for providing safe, reliable and affordable solutions.

### Integrating NWA Process and Integrated Grid Plans

#### **Overview of Current Planning Process**

CMP describes its planning process as consisting of continuous system monitoring, predefined analytical criteria, and targeted planning studies used to identify and address system needs. Within this framework, CMP conducts local area studies that evaluate system performance over a ten-year planning horizon for defined portions of its service territory. These studies are

conducted in three sequential phases: model development, needs assessment, and solutions development. In the model development phase, CMP develops base-case system models intended to reasonably represent existing and forecasted system conditions. In the needs assessment phase, CMP reviews the modeled results to identify system constraints, deficiencies, or other adverse impacts based on established planning criteria. In the solutions development phase, CMP evaluates potential mitigation options, including operational measures, traditional infrastructure investments, and NWAs, to address the identified needs and determine appropriate courses of action.

Versant's local area study process, like CMP's, consists of the following three phases: model development, needs assessment, and solution development. Versant develops base cases utilizing industry software and undertakes the needs assessment phase in order to identify adverse impacts. Once the needs assessment has been completed and localized system constraints are identified, Versant develops and evaluates solutions, including whether any NWAs or NWAs with some elements of traditional solutions may be feasible.

### **Summary of Comments**

Versant and CMP noted that NWAs are already incorporated into their IGP processes and this evaluation within the IGPs is in addition to the utilities' evaluation of NWA solutions in their capital project processes. CMP noted that the IGP informs the NWA process enabling more precise targeting of NWA opportunities. CMP states that its assessment of NWAs within the IGP is deliberately high-level, emphasizing qualitative considerations rather than detailed engineering or cost-effectiveness analyses, and that the depth of analysis required under the formal NWA process is beyond the scope of the IGP. CMP's approach is intended to use the IGP to inform and narrow the identification of potential NWA opportunities, while preserving a clear distinction between system-level planning and project-specific evaluation and investment decisions. Versant explains that during its IGP process, NWAs are evaluated for technical feasibility, cost-effectiveness, operational benefits, and their ability to address the identified system need. NWAs are scored and ranked alongside traditional utility solutions and may be recommended where they demonstrate sufficient value.

The Trust commented that to the extent that the Commission and stakeholders can leverage the IGP process to make real progress on the priorities of 1) improving data quality and integrity to maximize its use in distribution system planning; and 2) promoting flexible management of consumers' resources and energy consumption there will be a big improvement to the environment in which NWAs are considered and created.

The OPA, the Trust and the Acadia Center recommended that the OPA, the Trust and the NWAC get involved earlier in the utilities local area studies. CMP explained that it involves the OPA, the Trust, and the NWAC in these studies once model development, needs assessment, and initial solution development have been completed in order to establish whether a system need exists and to frame potential solutions. CMP's internal NWA team engages in this process toward the end of the needs assessment phase to validate the need and during solution development to evaluate cost-effective NWAs. CMP suggests external stakeholder involvement is most effective once a system need is identified and an initial solutions concept and cost estimate exist; stating that earlier involvement risks re-work and incorrect assumptions because all of the necessary information is not yet available. Versant also supports involving the OPA, EMT, and NWAC

once solutions to identified system needs have been identified and being considered among various solution options. Versant cites concerns with inefficiencies, delays, and substantial resource duplication, and the lack of value in involving external parties in local area studies.

The OPA suggested that the IGP could inform the annual five-year planning studies required pursuant to Section 3132-B, and that high-level solutions developed through the IGP could be included in those studies and transitioned into the formal project list once further developed. The Acadia Center also supported this recommendation. In addition, the OPA suggested that the Commission could review these studies<sup>13</sup> at the time they are filed noting that the Commission has the authority under Section 3132-C(3) to enforce data collection, and to the extent the information is incomplete, the Commission could require the utilities to include all information required by the statute which would help expedite the process and avoid repeated requests for information. The OPA and the Trust suggested that the Commission could also set specific due dates for the five-year planning studies.

### **Discussion and Recommendation**

A significant element of this legislation is determining how the NWA review process is integrated into the new requirements for the utilities to produce IGPs. As described, the utility planning process consists of related, but distinct planning studies. The nature of the IGP is that it serves as a high-level planning framework or roadmap, ensuring that both grid needs and public policy goals drive future investments in a way that minimizes inefficiencies in timing and sizing of projects. As part of the IGP, the utility identifies future needs and identifies possible solutions, including nonwires technologies such as energy storage. Through the stakeholder process, the OPA, EMT and others have the opportunity to provide feedback and help to shape the IGPs.

The outcome of the IGPs is not a preapproved portfolio of projects. It is simply a roadmap as to the types of investments and initiatives that will need to be made to meet the State's energy and climate policies. The utilities are still required to annually submit their five-year plans to the NWAC for review of possible alternative solutions pursuant to Section 3132-B. The Commission agrees with the OPA in recognizing that there may be potential benefits of utilizing the IGP to inform these annual five-year planning studies.

Additionally, if identified capital projects are subject to Section 3132, the Commission will review individual transmission level projects, and the NWAC will be required to perform a project-specific analysis. Many of these projects are identified in the local area studies, which are performed by the utilities. As described above, the utilities currently complete these studies prior to sharing the results with the NWAC. There is significant disagreement between the parties about when in this process the NWAC should be involved. The OPA asserts that earlier involvement of OPA, NWAC, and the Trust in the local area studies process will improve the NWA process, as alternatives can be explored before utilities commit resources to a specific proposal. According to the OPA, this will reduce the need for discovery, as the data will be shared as it's developed and will increase the likelihood of collaborative solutions, creating a more streamlined investigative process. The utilities view however is that external stakeholder involvement is most effective once a system need is identified, an initial solutions concept and

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<sup>13</sup> Section 3132-B(1) requires the investor-owned utilities to annually submit to the OPA for review by the NWAC a planning study for small transmission projects and distribution projects.

cost estimate exist, and that earlier involvement risks delays, resource duplication, and incorrect assumptions because all the necessary information is not available yet.

The Commission notes there may be potential to improve this process by engaging the NWAC earlier in the planning process. However, as this aspect of the planning process currently exists, much of this interaction occurs outside the purview of the Commission. If the Committee would like the Commission to recommend changes, the recommendations included in this report regarding formalizing requirements for the NWA investigation, recommendation and procurement process may be necessary.<sup>14</sup>

### **Additional Issues for Possible Consideration**

#### Incentives for Utilities to do NWAs

##### **Summary of Comments**

CMP recommends that the Commission resume its investigation into rate-setting mechanisms to address utility disincentives to pursue Capex-reducing NWAs.<sup>15</sup> CMP states the current cost of service regulatory model disincentivizes utilities to pursue NWAs and proposes that the Commission refocus on rate making incentives that place wires and nonwires solutions on equal footing from a rate-making perspective. CMP asserts that this supports utilities' efforts in exploring nonwires solutions as part of regular system planning and pursuing the solutions that meets reliability needs in a manner that is least cost to ratepayers. CMP maintains that aligning utility incentives and the continued utilization of the NWAC are not mutually exclusive and should be considered independent ways to support implementation of nonwires solutions.

The Trust also commented that CMP raised an important point about ensuring that wires and nonwires solutions are on equal footing from a rate-making perspective and agreed that a proactive approach to identifying disincentives is a good idea. OPA similarly stated that it found merit in some of CMP's suggestions and more discussion was needed to design proposals that meet the intent of the Legislature to find ratepayer savings through NWAs and to create incentives for utilities.

NRCM similarly recommended that the Commission consider creating incentives to motivate utility participation to improve the NWA process. NRCM suggested establishing performance incentive mechanisms designed to reward or penalize a utility for successful NWAs (e.g., using metrics that reflect percentage grid utilization or the peak-to-off-peak ratio, or a savings sharing mechanism to inspire greater utility cooperation).

##### **Discussion and Recommendation**

Title 35-A, Section 3132-D provides that an investor-owned T&D Utility's prudently incurred costs to deliver NWAs directly or under contract with the Trust or a third party are recoverable in

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<sup>14</sup> The Commission also recommends that that Section 3132-B(1) be amended to require that the five-year planning studies be submitted to the Commission in addition to the OPA.

<sup>15</sup> CMP cited previous dockets on this issue. *See Maine Public Utilities Commission Investigation into the Designation of Non-Transmission Alternative (NTA) Coordinator*, Docket No. 2016-49 and *Maine Public Utilities Commission Investigation into Rate-Setting Mechanisms Regarding Nonwires Alternatives*, Docket No. 2018-00171.

rates and that prudently incurred costs do not include a financial or performance incentive for the utility. Given the language in the statute, the draft report stated that the Commission seeks legislative direction on whether the Legislature would like the Commission to explore this issue. In its comments on the draft report CMP stated that, in its view, legislative approval or amendment was unnecessary to consider the NWA disincentive issues discussed in this docket and proposed that the Commission continue this conversation and review within the future inquiries proposed in the draft report. The Commission clarifies that it could explore this issue on its own and report back to the Legislature; however, given the language in the statute, the Commission does not want to expend resources on this topic if the Legislature is not interested in it. That is why the Commission sought guidance from the Legislature.

#### Other Issues

Stakeholders also have different views on a number of other issues including whether: 1) current exclusion criteria of certain projects from NWA investigations should be expanded or narrowed; 2) the cost threshold for project review under Section 3132-A should be increased; and 3) pool transmission facilities (PTF) projects should be exempted from NWA investigations.

Some of the parties noted that they appreciated many of the ideas put forward by CMP in the Company's initial comments, which include the issues identified above, and believe many of them deserve a more thoughtful review. The Commission agrees and could further explore these issues with utilities and stakeholders in a separate proceeding or one of the other proceedings recommended in this report.<sup>16</sup>

#### **IV. Conclusion and Recommendations**

Based on the Commission's review of the NWA investigation, recommendation and procurement process, and the input from stakeholders and utilities, the Commission recommends some statutory changes that could help increase transparency and improve the process. In addition, some of the commenters suggested exploring certain topics in more detail and the Commission recommends that it, through other Commission proceedings further explore these topics and report back to the Legislature. Finally, there are other significant areas where stakeholders and utilities have differing views which the Commission identifies for possible legislative consideration or alternatively to include in the follow-on Commission proceedings and report back to the Legislature. These three categories are outlined below.

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<sup>16</sup> CMP also suggested making certain changes to Section 3132-A and Section 3132-B which the Commission and stakeholders could explore in one of the proceedings discussed above and bring back for the Legislature's consideration. The Commission also notes that another significant issue regarding legislative intent has come up as to changes made to Sections 3132 and 3132-A in 2023 and how, if at all, they may impact the Commission's standard of review of, and utility filing fee for, large scale transmission line construction projects seeking a Certificate of Public Convenience and Necessity (CPCN) approving construction pursuant to Section 3132. *See P.L. 2023, c. 355, see also Central Maine Power Company Request for Certificate of Public Convenience and Necessity for the Construction of the Greater Portland Transmission Upgrades, 2025-00276.*

Commission Suggested Statutory Changes (draft legislation is at Appendix A):

- Amend Section 3132-B(1) to require that the five-year planning studies be submitted to the Commission in addition to the OPA;
- Amend Section 3132-C(4) to clarify the scope or level of detail for the required procurement plan; and
- Amend Section 3132-C to allow the Commission to adopt routine technical rules regarding the NWA investigation, recommendation, and procurement process.

With these changes the Commission can formalize, or establish requirements governing the NWA investigation, recommendation and procurement process that could increase transparency and improve the process. This could include standardizing deadlines for the five-year planning studies and data requests; making more information available in CMS; standardizing utility reporting requirements; exploring whether engaging the NWAC earlier in the utilities' capital planning process could improve the process in a way that is not time consuming, resource intensive, or requires rework; utilizing IGPs to inform the annual five-year planning studies pursuant to Section 3132-B; and formalizing of the NWA BCA methodology.

Topics to Further Explore and Report Back on to the Legislature:

- Whether the current exclusion criteria for certain projects from NWA investigation should be expanded or narrowed; and
- Whether further changes to Section 3132, 3132-A, and 3132-B would help improve the process (including, but not limited to, whether the cost threshold for project review under Section 3132-A should be increased and whether PTF projects should be exempted from NWA investigations).

Issues for Possible Legislative Consideration or Alternatively to Include in Follow on Commission Proceedings and Report Back on to the Legislature:

- Legislative clarification regarding role of NWAC and NWA definition; and
- Whether the Legislature would like the Commission to review the need for utility incentives to encourage more desired NWA outcomes.

Finally, the Commission notes that it explained in the inquiry that it is currently pursuing separate inquiries regarding the NWA process, flexible interconnections, energy storage, interconnections and grid resilience and reliability and asked whether a more holistic approach to developing a resource management/grid flexibility strategy would lead to a more efficient process and cost-effective grid solutions. The Acadia Center commented that a more holistic process, in nearly every circumstance, is preferable to a siloed approach and that uniting these separate inquiries would increase efficiencies, improve outcomes, and create benefits for stakeholders as attention and resources could be consolidated.

The OPA stated that a holistic approach is a worthy goal, but fundamental limitations need to be resolved before such an analysis could be accomplished efficiently noting these proceedings have unique regulatory schemes which would be challenging to consolidate. CMP in its comments on the draft report stated that it sees merit in considering whether consolidation of certain ongoing Commission proceedings could improve administrative efficiency and reduce duplicate effort; but agreed with the OPA that some topics are governed by distinct statutory and regulatory frameworks and may warrant separate consideration and as such, any consolidation

should ensure that issues with unique drivers or requirements receive appropriate and focused review. The OPA also noted that identifying investments needed to enable time-series analysis could improve and consolidate some of these proceedings. The Commission notes this is part of the IGPs. Other commenters raised concerns given that there are aspects of grid planning that involve jurisdictional issues with FERC and ISO-NE that would likely hinder the ability of the State to comprehensively plan the grid. NRCM stated that regulators should prioritize the underlying reforms to planning standards, practices and utility operations that will enable advances in all of these areas to provide savings for ratepayers through increased grid utilization. In the Commission's view, at some point there has to be a more holistic look at these issues to obtain the desired outcomes.

**Appendix A**  
**Draft Legislation**

## Draft Legislation

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 35-A MRSA § 3132-B, sub-§1** is amended to read:

**1. Planning study.** Each investor-owned transmission and distribution utility in this State shall annually complete and submit to the commission and the Office of the Public Advocate, for review by the nonwires alternative coordinator, a planning study for small transmission projects and distribution projects. In completing the planning study, an investor-owned transmission and distribution utility shall develop and use system planning models. The study must:

- A. Analyze system needs for the next 5 years and provide a schedule of proposed projects and associated costs;
- B. Describe system capacity and load by substation and circuit; and
- C. Identify corresponding planned and anticipated growth-related investments.

After review of a planning study submitted under this subsection, the nonwires alternative coordinator may provide comments or recommendations, which may include recommendations to achieve the policy goals established in section 3143. An investor-owned transmission and distribution utility may, at its discretion, incorporate recommendations on a planning study made by the nonwires alternative coordinator. Failure to incorporate recommendations made by the nonwires alternative coordinator may not result in a presumption of imprudence.

**Sec. 2. 35-A MRSA § 3132-C, sub-§4** is amended to read:

**4. Recommendations.** On the basis of the investigation under subsection 1, the nonwires alternative coordinator shall develop and provide to the commission or to an investor-owned transmission and distribution utility, as appropriate, recommendations regarding cost-effective nonwires alternatives to the wires project, including a proposed plan for procurement of the recommended nonwires alternatives that identifies components that are behind the meter or on the grid side of the meter. ~~The proposed procurement plan must be consistent with the provisions of section 3132-D.~~

**Sec. 3. 35-A MRSA § 3132-C, sub-§5** is enacted to read:

**5. Rules.** The commission may adopt rules to implement this section. Rules adopted pursuant to this subsection as routine technical rules as defined by Title 5, chapter 375, subchapter 2-A.

## **SUMMARY**

This bill requires an investor-owned transmission and distribution utility to submit a planning study for small transmission projects and distribution projects to the Public Utilities Commission in addition to the Office of the Public Advocate. It also requires the nonwires alternative coordinator to identify in a proposed plan for procurement of the recommended nonwires alternatives, whether the components are behind the meter or on the grid side of the meter. Lastly, it allows the commission to adopt rules relating to the nonwires alternatives investigation and recommendations.