

Subcommittee #3 (Transmission and Grid Related Issues)
Draft Recommendations
10.26.09

1. Amend state law and state energy plan to explicitly incorporate the likely need for expansion of state T&D capacity to achieve the state's onshore and offshore wind goals.

- a. Amend 35-A MRS § 3404 (1) to read: **Encouragement of wind energy-related development.** It is the policy of the State, that in furtherance of the goals established in subsection 2, its political subdivisions, agencies and public officials take every reasonable action to encourage the attraction of appropriately sited development related to wind energy, including any additional transmission infrastructure needed to transport additional onshore and offshore wind energy to market, consistent with all state environmental standards; . . . (new language underlined)
- b. Amend 35-A MRS § 3132 (6) **Commission order; certificate of public convenience.** In its order, the commission shall make specific findings with regard to the need for the proposed transmission line. A certificate may be granted by the commission for a line that is sized not only to serve current load, but also to serve the reasonably anticipated future growth of generation to meet the state's wind energy goals, when the commission determines that such an expansion is expected to minimize long term transmission and distribution system costs.
- c. Amend the State Energy Plan to acknowledge the need for new transmission capacity to support development of significant amounts of offshore wind.

2. Amend State law to provide for ratepayer cost recovery of generator lead lines when the PUC makes certain findings, including: the transmission corridor has been designated an energy infrastructure corridor and the commission approves a certificate of public convenience and necessity.

- a. Amend 35-A MRS § 3132 (1-B). **Exception; generator interconnection transmission facility.** The construction of a generator interconnection transmission facility is not subject to the requirements of this section (certificate of public convenience and need), unless the commission has designated the transmission facility as an energy infrastructure corridor under §122 (2) of this title, and seeks recovery of the costs of such facility from ratepayers under subsection 6.
- b. Amend 35-A MRS §3132 (6): The commission may grant a certificate of public convenience for a generator interconnection transmission facility associated with an offshore wind or tidal power facility that has received all

necessary environmental permits and is being constructed to achieve the state's offshore energy goals. The commission may direct the reasonable costs of constructing that facility be incorporated into T&D rates when it determines that, but for such cost recovery, the generator would be unable to finance its project and the ratepayer impact is determined reasonable.

3. Explicitly recognize in state law and energy plan the economic and environmental benefits of electrification of home heat and transport sectors. Set a goal to electrify xxx,000 homes by 2030.

- a. Amend 35-A MRSA §3402 (1) by adding: C. Maine's renewable energy resources can generate electricity needed to convert Maine's homes and motor vehicles from oil heat and liquid petroleum fuels to electric heat pumps, thermal energy storage, and electric vehicles. Electrification of home heat and transportation will increase the state's energy independence, help to stabilize total residential and commercial energy bills, and reduce greenhouse gas emissions.
- b. Amend 3402 (1) further by adding subsection 3: **State goals to electrify heat and transport sectors.** It is the policy of the state that, in furtherance of its goals to promote energy independence, reduce overall energy costs and greenhouse gas emissions, and encourage the development of its renewable energy resources, the state shall promote the conversion of residential and commercial heating systems in structures that have previously been weatherized, and motor vehicles, to more efficient energy sources, including: electric heat pumps and electric vehicles.

The state shall seek to convert at least xxx,000 residences to more efficient electric heat sources by 2030.

Note: state has set goal to weatherize all homes and ½ businesses by 2030.

4. The legislature shall direct the MPUC to initiate a proceeding to explore mechanisms needed to achieve the state's electrification of home heat and transport policy and goal to promote and best utilize Maine's renewable energy generation potential, including examination of the following:

- a. Rate design structures that will encourage the use of intermittent renewable energy resources, including off peak time of use T&D rates;
- b. Changes to the standard offer pricing to include off peak time of use energy prices;
- c. The penetration of time of use meters;

- d. The long term needs for a “smart grid” that will enable the efficient usage and storage of energy produced by intermittent renewable resources;
- e. Any other mechanisms that would encourage the development and usage of Maine’s renewable energy resources to replace the use of fossil fuels for heat and transportation whenever conversion would reduce overall energy consumption, increase the state’s energy independence, and reduce greenhouse gas emissions.

The MPUC shall report to the legislature, including recommendations for rate design changes, “smart grid” investments, and other mechanisms needed to promote electrification of the home heating and transport sectors.

- 5. Amend state law to direct the MPUC to issue an RFP for up to 200 MW of offshore wind. The Commission shall direct a T&D utility to enter into a long term contract for the energy, capacity *and renewable energy credits* from an offshore wind facility if it determines that the ratepayer impact is reasonable, taking into consideration the risks associated with fossil fuel price volatility over the next 20 years, greenhouse gas emission reductions, and the state’s offshore wind energy goals. The commission shall also consider the energy and cost savings from state programs to weatherize and convert homes to more efficient heat sources in determining the reasonableness of ratepayer impacts.**
- 6. The MPUC and OEIS should continue to work through the ISO-NE, and the Governor’s Office should continue to work through the New England Governors/Eastern Canadian Premiers Conference and other regional forum, to best achieve the state’s wind goals in the lowest cost manner possible with a focus on regional cooperation. The adoption of rational cost allocation policies for T&D investments that further the regional system’s reliability and help achieve its renewable energy and climate goals while minimizing litigation is essential.**