

Governor's Energy Office

Distributed Generation Stakeholder Group

Meeting Summary

Wednesday, August 31, 2022

2:00 p.m. – 4:00 p.m.

Hybrid meeting with attendees in person in Augusta and via Zoom

Attendees

Stakeholder group members: Dan Burgess, Governor's Energy Office; Phil Bartlett, Maine PUC; David Norman, Versant Power; Kaitlin Kelly O'Neill, Coalition for Community Solar Access; Jeremy Payne, Maine Renewable Energy Association; Fortunat Mueller, Revision Energy; Peter Cohen, Central Maine Power; Bill Harwood, Office of the Public Advocate; Bob Cleaves, Dirigo Solar; Tony Buxton, Preti Flaherty - Industrial Energy Consumers Group; Jesse McKinnell, CEI/Bright Community Capital; Sue Clary, Central Maine Power; Neal Goldberg, Maine Municipal Association; Sharon Klein, UMaine School of Economics; Eric Feigenbaum, Versant Power

Staff: Celina Cunningham, Ethan Tremblay, and Caroline Colan, Governor's Energy Office (GEO).

Consultants: Tim Woolf, Synapse Energy Economics, Inc.; Tom Michelman, Sustainable Energy Advantage (SEA)

Members of the public.

Welcome and introductions

Dan Burgess welcomed all stakeholder group members and members of the public. All members, both in person and online, introduced themselves.

Ethan Tremblay welcomed the technical experts who will assist in the work of the DG Stakeholder Group: Synapse Energy Economics, Inc. and Sustainable Energy Advantage (SEA). Ethan reviewed the meeting agenda as well as the proposed meeting schedule for the group's work September through December. See schedule below.

<p>September 2022</p> <ul style="list-style-type: none"> •September 20 - Distributed Generation Stakeholder Group meeting •September – Equity and access listening session •September – Land use listening session
<p>October 2022</p> <ul style="list-style-type: none"> •October 4 – Distributed Generation Stakeholder Group meeting
<p>November 2022</p> <ul style="list-style-type: none"> •November 1 – Distributed Generation Stakeholder Group meeting •Successor program straw proposal public comment period during November •November 22 – Distributed Generation Stakeholder Group meeting
<p>December 2022</p> <ul style="list-style-type: none"> •December 6 – Distributed Generation Stakeholder Group meeting

Consultants: Project Kick-Off and Discussion of the Maine BCA Test

Tim Woolf of Synapse and Tom Michelman of SEA shared a [slide deck](#) that introduced their consultancies, provided an overview of the DG successor program study, a schedule of work to be completed, and then jumped into the first workshop aimed at developing the Maine cost-effectiveness test. All working group meetings will be open to the public and GEO and the consultants welcome feedback on all aspects of the analysis and proposed program development on an ongoing basis.

Notes below capture stakeholder member discussion with the consultants by slide. The slide deck can be found [here](#).

Slide	Discussion
3	Overview of Synapse and SEA project teams. Synapse has 25+ years of experience, including in developing benefit-cost analyses (BCAs). Synapse also recently led the development of the National Standard Practice Manual (NSPM) for Distributed Generation. SEA has 20+ years of experience in Northeast energy markets, including significant project experience with State Energy Offices.
4	Review of study objectives with the ultimate goal being to develop a new program design for DG resources 2-5MW in size. Presented a list of aspects to be included in a successor program. <ul style="list-style-type: none"> • Stakeholders discussed the parameters of program size with a particular focus on whether projects under 2MW could be considered for inclusion. While L.D. 936 defines a DG resource as a resource 2-5MW in capacity, for the purposes of the successor program design it just says projects less than 5MW. • Consultants noted that they anticipate study results could be generalizable to projects under 2MW, but only down to ~1MW in size. Projects below 1 MW tend to

	<p>have fundamentally different development attributes that warrant separate program design considerations.</p> <ul style="list-style-type: none"> Some stakeholder members requested that a study objective regarding lessons learned from currently existing DG policies be included in the study design. While not part of the consultant’s scope, the stakeholder group contains many individuals with experience in various aspects of the existing programs and that experience is expected to inform the group’s work.
5	<p>Review of successor program design types to be considered as per the <i>DG Stakeholder Interim</i> Report, as well as several additional considerations for program components.</p> <ul style="list-style-type: none"> Stakeholders discussed several program component choices and considerations including geographic constraints regarding oftakers and whether to include analysis of behind-the-meter (BTM) projects in addition to front-of-the-meter (FTM) options. If study analyzes projects between 1-2MW, may want to see a BTM option modeled at least qualitatively.
6	<p>Shared a list of DG technologies to be modeled in the report, focusing on solar PV with the addition of small-scale hydro. Technologies not studied will still be able to participate in the program and will be addressed qualitatively.</p>
7	<p>Reviewed the two types of analyses used to evaluate successor program designs, including benefit-cost analysis (BCA) and rate impact analysis.</p> <ul style="list-style-type: none"> Utility stakeholder asked that the rate impact analysis consider administrative costs for upgrades to billing and metering systems. Consultants noted that administrative costs are typically included in some way in BCAs and rate impact analyses, though it would be helpful for utilities to provide cost estimates.
8	<p>Comparison of BCA and rate impact analysis.</p>
9	<p>Review of what’s included in BCA and rate impacts analysis. Whether to included social impacts or host customer impacts depends on policy goals. The inclusion of lost revenues is important.</p>
10	<p>Preview of how the results of the analysis will be presented.</p> <ul style="list-style-type: none"> Stakeholder asked about how the effects of carbon emissions are calculated/factored into analysis. Consultants noted that is part of the societal impact category. It’s up to the DG Stakeholder Group to decide how to consider those effects.
11	<p>Review of the NSPM Framework. Shows fundamental BCA principles and how to design a primary cost-effectiveness test that is relevant to each jurisdiction.</p>
12	<p>Review of NSPM Principles in more detail.</p> <p>Consultants see the two principles highlighted in bold as most important to this work.</p> <ul style="list-style-type: none"> Align cost-effectiveness test with jurisdiction’s applicable policy goals.

	<ul style="list-style-type: none"> • Conduct BCAs separate from Rate Impact Analyses.
13	Review of cost-effectiveness perspectives and how the NSPM differs from other practice manuals. Primarily, it focuses on two tests and adheres to a set of principles, meeting policies and needs of a specific jurisdiction in a transparent way.
14	<p>Review of the 5-step process for determining the primary test.</p> <p>Deciding which non-utility system impacts to include generally takes the most time.</p>
15	DG Stakeholder Group’s input will be important for applying the parameters specified in statute.
16	<p>Discussion of utility system impacts as a foundational piece of all cost-effectiveness tests.</p> <ul style="list-style-type: none"> • Stakeholders discussed a participant cost test. The consultant noted that while the distributional effects of customers cannot be broken out in a BCA, it can be done in the rate impact analysis. That analysis will explore any rate differences between participants and non-participants. • Stakeholders again discuss size constraints of a successor program and the impacts of different program types at various sizes (i.e., retail vs. wholesale). • Discussion of legislative intent regarding DG. Must it include a retail program? Group agreed they should work towards providing information on the costs and benefits, including rate impacts, of various DG programs so policymakers can consider tradeoffs of each.
17	<p>Discussion of non-utility system impacts.</p> <ul style="list-style-type: none"> • Stakeholder question on whether the study will look at the effect of a successor program on beneficial electrification, and whether the rate impact analysis will consider varying levels of electrification. <ul style="list-style-type: none"> ○ Consultants say that looking at the effects on beneficial electrification is out of scope, but that the analysis will include rate forecasts with and without the program using projections that include expected electrification/load growth. • Stakeholder question on whether the study will look at the impacts of a successor program on high volume industrial consumers. <ul style="list-style-type: none"> ○ Consultants note this could be considered.
18	Preview of analysis. Consultants asked members to fill out table as exercise.
19	Overview of a chart showing Synapse’s understanding of the impacts that are currently accounted for in other related domains – energy efficiency and non-wires alternatives. The new cost test being developed doesn’t have to include the same impacts, but they may be a helpful starting place.
20	Overview of Synapse’s understanding of non-utility system impacts currently included.
21	Overview of standard participant impacts for analysis.

	<ul style="list-style-type: none"> Stakeholder discussion regarding risks to participants in the case of oversubscription in the program, as well as the issue of expiring bill credits that some community solar subscribers may experience. Member discussed ongoing work with CMP and Versant to help increase visibility into customer credits and usage so accounts can be adjusted more frequently, thus avoiding credit expiration after a 12-month period.
22	More detail on participant impacts. If participant costs are included, benefits should be too. If benefits are not included, neither should participant costs. Need symmetry.
23	Statute does not provide detail on how to account for participant impacts with respect to DG.
24	Discussion of additional non-utility system impacts.
25	Reviewed state policy goals and legislative origins.
26	<p>Preview of draft straw proposal – table to filled out as we go forward.</p> <ul style="list-style-type: none"> Stakeholders discuss how to identify benefits that are unique to a distributed resources compared to any renewable. How much of benefit package can be contributed to fact that it’s a distributed resource vs a renewable resource/grid scale? What are marginal benefits?

Review of issue-focused work session plans

The *DG Stakeholder Interim Report*, finalized in December 2022, calls for targeted issue-focused work sessions to engage with and get feedback from a broader range of stakeholders on key issues relevant to the design of a successor program. Since the last meeting, planning has continued on several topics. Planning updates and considerations include:

Equity and Access – Volunteer Lead: Kaitlin Kelly O’Neill

- Finalizing dates and aiming for late September to start. Stakeholder members organizing this group had a call to discuss participants we’d like to hear from including Maine based entities (like the CAPs), national experts (like NREL or Grid Alternatives), and representatives from other jurisdictions (like NYSERDA).
- Would like to discuss passage of the Inflation Reduction Act (IRA) and how those new policies, regarding LMI communities in particular, may impact policy development. Emphasized this as an opportunity to make sure Maine is as aligned as possible with federal definitions to maximize the benefits of tax credits/refunds/etc. We should design a program to ensure the greatest benefits by maximizing federal funds where we can.
- Suggest a broader conversation about IRA with the whole stakeholder group, as well as discussion in the issue-focused work sessions.

Land Use – Volunteer Lead: Bob Cleaves

- Will call on the co-chair of the Agricultural Solar Stakeholder Group to present their work as a starting place to build upon.
- Would like to ask someone from Rhode Island or another jurisdiction to talk about how they have approached land use issues regarding solar development.
- Would like to hear from The Nature Conservancy in Maine on their upcoming analysis as well.
- Also discussed the importance of IRA, with particular focus on brownfield development.

Public Comment

Dan opened the floor for public comment.

Suzanne Watson

Question regarding types of DG involved in the study and then eligible for the program.

Barbara Alexander, Maine AARP

Question regarding whether the consultants will do a bill impact analysis of the current program considering projects in the queue at this time.

Question regarding data source for avoided costs. Will there be real-time or locational analysis?

Question/comment about the necessity of a successor program with existing projects in the queue.

Rob Wood, The Nature Conservancy of Maine

Would encourage the stakeholder group to consider additional environmental impacts category in analysis.

Additionally, wanted to make the group aware that TNC and SEA are currently working on a technical potential analysis looking at potential for DG development on previously disturbed or degraded lands in Maine. That analysis will be ready in another couple weeks and he would like to share the results with this stakeholder group.

Howard Marshall

Comment regarding expiration of NEB credits after 12 months. Believes a customer would have to be very oversubscribed for credits to not be used prior to expiration.

Steve Weems

Comment on incorporating difficult to quantify considerations in analysis. Important to keep those in considerations in the analysis despite difficulty.

Next steps and timeline

All meetings of the Distributed Generation Stakeholder Group will continue to be held in a hybrid manner and include an opportunity for public comment.

Next meeting

The next meeting of the DG Stakeholder Group will be on held on Tuesday, September 20 from 2:00-4:00 p.m.