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

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 **October 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 that 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 Impact Report provides a snapshot of Public Utilities Commission dockets and pending legislation related to climate change.

**Climate Impact Related Dockets**

**Inquiry Regarding Climate Change Protection No.** **2023-00282**

The OPA attended the Public Utilities Commission workshop on utility climate change protection plans. In filed comments, the OPA recommended the PUC seek expert advice regarding climate change protection plans. An expert would have a broad perspective as to what utilities are doing nationwide and could assist in prioritizing investments, and merging climate change protection plans with integrated resource plans. The Commission agreed with the OPA’s recommendation and engaged representatives from Pacific Northwest National Laboratory (PNNL) and Lawrence Berkeley National Laboratory (Berkeley Lab) for the workshop presentation. The Governor’s Energy Office and a Consumer Owned Utility representative gave presentations as well, highlighting funding opportunities for small utilities to engage climate change planning expertise.

**PUC approves Stipulation in the PNGTS Utility Reorganization Request**

Portland Natural Gas Transmission System (PNGTS) petitioned for approval of an ownership change. (Docket No. 2024-00072). The Commission approved a Stipulation agreed to by the OPA, PNGTS, its current owners, its prospective buyers, and the Conservation Law Foundation. The Stipulation includes a provision that PNGTS commits to maintaining or improving the operational standards and processes for greenhouse gas (GHG) reduction and non GHG related operations. These include commitments to maintain or improve GHG emissions mitigation practices such as current leak detection and repair programs, use of venting mitigation technologies, and assessment of equipment enhancements that reduce venting and leakage. Under the Stipulation, Sellers and Buyers will jointly explore commercially reasonable ways to improve GHG emissions mitigation practices.

**Until Seeks Approval for Merger with Bangor Natural Gas No. 2024-00174**

Pursuant to a proposed Stock Purchase Agreement (SPA), Unitil seeks approval to acquire 100 percent of an equity interest in Bangor Natural Gas. The OPA is interested in the GHG reducing practices of the utilities, seeking enforcement of the PUC’s obligations to facilitate GHG reductions pursuant to 35-A M.R.S 103-A. The proposed purchase price is $70.90 million, subject to customary adjustments at the time of closing. After the Transaction closes, Bangor will be a wholly owned subsidiary of Unitil, and it will be a sister company to Northern and Unitil’s other public utility operating companies.

**OPA Supports Expedited Review for Church Hill Solar Interconnection Project**

The OPA recommends the Commission adopt an expedited review process for customer funded projects. (No. 2024-00105). Based on information from CMP, the Nonwires Alternative Coordinator (NWAC) finds that: 1) ratepayers will bear no costs of the interconnection; 2) ratepayers will bear no additional costs for ongoing operation and maintenance; 3) a new transmission line overbuilt on CMP roadside distribution poles using an existing CMP right of way is the least impactful solution; 4) no ratepayer funds are at risk if the project fails to be funded because no CMP work will commence before payment.

**New England Aqua Ventus PPA Negotiations No. 2022-00100**

The OPA continues its participation in confidential negotiations for a purchase power agreement (PPA) for the New England Aqua Ventus, LLC research array. Under Public Law 2021, Chapter 327, *An Act to Encourage Research to Support Maine Offshore Wind (OSW) Industry,* the PUC must determine whether the terms of a PPA represent “the lowest reasonable cost to ratepayers, while ensuring the pricing structure is sufficient to enable the financing, construction and operation of the research array by New England Aqua Ventus, LLC or its affiliate.”

**Battery Storage Ownership**

Maine was selected by the U.S. Department of Energy (DOE) as the site for a multi-day battery storage system. The battery project is an 85 MW system with 100-hour duration (8,500 MWh). That’s about 4 days of continuous power. It will be sited at a former paper mill in Lincoln, Maine. The project will be built by battery start-up company Form Energy, out of Massachusetts. The key ingredients of Form Energy’s proprietary battery technology are iron and air. Form Energy states the project will ensure a more reliable, clean, and affordable grid in New England by reducing transmission congestion and making valuable wind energy resources available when and where they are needed. See <https://formenergy.com/technology/battery-technology> Maine law 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. See 35-A § 3145.

**Net Energy Billing Multiple Dockets**

The Commission recently opened a new docket, “Investigation Into Allocation of Benefits of Distributed Generation Under Net Energy Billing,” (No. 2024-00149). In response to questions raised at the initial case conference, the Commission addressed the scope of the proceeding. The Procedural Order clarified, “ The July 11, 2024 Notice of Investigation stated the three goals of this investigation: (1) Determine the categories of benefits of distributed energy resources under NEB; (2) Identify those benefits which may be monetized and to whom those benefits accrue; (3) Adopt a methodology for the calculation of benefits that will be applied annually in stranded cost rate proceedings going forward that allows stranded cost rate proceedings to be processed in a streamlined and timely manner (i.e. a “plug and play” calculation). Thus, the scope of this investigation is intended to “flush out” any other monetizable benefits, whether those be distribution, transmission, or supply benefits, that may be applied annually in a stranded cost rate proceeding.” The OPA will continue its analysis of the projected benefits of the NEB program. Previously, Commission experts found that when benefits are calculated from the ratepayer perspective, ratepayer benefits are less than NEB program expenses. 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**

The Public Utilities Commission issued its order in the *Proceeding to Identify Priorities for Grid Plan Filings* (No. 2022-00322). The utilities have 18 months to complete their plans. Three stakeholder meetings are required. CMP plans to hold a total of eight; the second was held on August 13, 2024, in Augusta, Maine. About 30 people were in attendance from a variety of backgrounds including the OPA, the Maine State Chamber of Commerce, Efficiency Maine Trust, the Island Institute, and City of Portland. CMP plans to conduct its climate change vulnerability study first, to identify areas of climate change sensitivity. CMP will then base its climate change resilience plan on the results of its assessment.

Under Maine law, utilities are required to include plans to meet climate change initiatives in their long-term planning documents. See [35-A M.R.S. § 3147](https://advance.lexis.com/api/document/collection/statutes-legislation/id/65CJ-M8N3-CGX8-00R4-00000-00?cite=35-A%20M.R.S.%20%C2%A7%203147&context=1000516)).

**Stranded Cost Proceeding for Collection of NEB Costs No.** [**2024-00137**](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fmpuc-cms.maine.gov%2FCQM.Public.WebUI%2FCommon%2FCaseMaster.aspx%3FCaseNumber%3D2024-00137&data=05%7C02%7CSusan.W.Chamberlin%40maine.gov%7C04311868c3e543e0bb3108dcaa9ed7c6%7C413fa8ab207d4b629bcdea1a8f2f864e%7C0%7C0%7C638572846414932208%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C0%7C%7C%7C&sdata=SzLej3SHVBuJYmCGsE%2FuxiqO2B8S6CRn2HjpnHACLQc%3D&reserved=0)

The Commission initiated this follow-on investigation after the close of the rate design proceeding in Docket No. 2023-00230. Parties continue to dispute the relevance of certain data requests regarding questions to generators about power purchase agreements, operating characteristics, costs and expenses, and the profit or loss associated with the generators’ operation. The Commission has not yet ruled on the various objections.

In the previous docket, the Commission held that all post-restructuring costs should be recovered through a fixed charge, due to the policy nature of post restructuring costs, including both Net Energy Billing and non-Net Energy Billing program costs. Several commercial and industrial customers requested rate relief, demonstrating rate shock from the rate structural change. For example, CPV Maine Wind found that two thirds of the 27 customers within the LGS-T-TOU rate class “experienced over a 90% increase in their energy supply bill – well above any bar defining rate shock. More than one third saw rate increases over 500%, including CPV Maine Wind. However, a handful of customers only experience modest increases of 6% or less. And the largest user saw only a 2% increase.” The follow-on proceeding will investigate these intraclass rate disparities to see if a change in cost allocation is warranted.

**Climate Impact Related Legislation**

The Legislature is currently in recess.