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JANET T. MILLS GOVERNOR DAN BURGESS DIRECTOR OF GOVERNOR'S ENERGY OFFICE

March 6, 2020

Dear Senator Lawrence, Representative Berry, and Members of the Joint Standing Committee on Energy, Utilities and Technology:

Pursuant to Resolve 2019, Chapter 71 (LD 1796) the Governor's Energy Office (GEO) is directed to convene a stakeholder group to identify and develop strategies to address the transmission grid reliability and electric rate stability for the northern Maine service territory. This stakeholder group is also required to submit a report to the Joint Standing Committee on Energy, Utilities and Technology by March 1, 2020. This letter is to provide you with a report on progress of this stakeholder group.

The Resolve directs that in its review of transmission grid reliability and electric rate stability for the northern Maine service territory, the stakeholder group shall, at a minimum, address and develop recommendations concerning:

- The continued need to assess reliability in the northern Maine service territory;
- The shutdown of biomass plants in the region, such as those in Fort Fairfield and Ashland, that have in the past been essential to addressing reliability concerns;
- The region's fuel security, competitive supply and rate volatility resulting from its reliance on generation resources in the region; and
- Opportunities for transmission and non-transmission alternatives to address the current and projected reliability and rate stability needs of the region.

Following the completion of the "Transmission System Needs to Support Renewable Energy Investment" study, pursuant to Resolve 2019, Chapter 57, the GEO assembled this working group and has held two meetings in Presque Isle, one in early January, and the second on February 21<sup>st</sup>. Both meetings were well attended, and participants have been highly engaged in the process. At these meetings, stakeholder group members communicated their interest in the process and final report; received overviews from Emera Maine and the Northern Maine Independent System Administrator (NMISA) on transmission infrastructure status and upgrade/maintenance plans for the immediate future; heard a summary of state plans, policies, and rulemaking activities; began identifying specific issues affecting rate stability and transmission reliability; and discussed goals to be achieved by the process. Individual organizations also had an opportunity to formally present their concerns and views regarding the status and future of the northern Maine transmission system. Information on the stakeholder group meetings and efforts can be found here: <u>https://www.maine.gov/energy/geo-northern-maine-grid-reliability-and-rate-stability-study.html</u>.

The stakeholder group is scheduled to meet next on March 20<sup>th</sup>. We anticipate convening, at a minimum, at least one more meeting, but additional meetings may be needed to fully identify the issues, as well as develop recommendations regarding the optimal path forward. The GEO believes that we are making substantive progress on identifying the needs and goals of the northern Maine service territory, and we plan to continue to engage this stakeholder group until the issues laid out in the Resolve have been fully researched, and possible solutions identified.

Please don't hesitate to reach out should you need additional information.

Sincerely,

Dan Burgess Director, Governor's Energy Office

CC:

Representative Trey Stewart Senate President Troy Jackson Senator Mike Carpenter Representative John DeVeau Representative Chris Johansen Representative John L. Martin Representative David McCrea Representative Gregg Swallow Representative Dustin White