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# **Interim Report of the Distributed Generation Stakeholder Group**

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

*December 31, 2021*

## Table of Contents

List of acronyms and terms .....	2
Introduction.....	3
Stakeholder group membership.....	3
Stakeholder group process.....	4
Initial areas of consensus .....	5
Current results of net energy billing programs.....	6
Kilowatt-hour credit program.....	6
Tariff rate program .....	6
Net energy billing results.....	7
Holistic grid planning.....	11
Adoption and implementation of holistic grid planning .....	11
Informing the design of a successor program with holistic grid planning .....	12
Successor program framework .....	13
Successor program eligibility.....	14
Successor program framework.....	14
Successor program design process .....	16
Formation of issue-focused working sessions.....	16
Technical and economic analysis.....	17
Straw proposal and final report.....	18

### List of acronyms and terms

<b>CHP</b>	Combined heat and power
<b>DG</b>	Distributed generation
<b>GEO</b>	Governor’s Energy Office
<b>kW</b>	Kilowatts
<b>kWh</b>	Kilowatt-hours
<b>MRS</b>	Maine Revised Statutes
<b>MURRDI</b>	Maine Utility Regulatory Reform/Decarbonization Initiative
<b>MW</b>	Megawatts
<b>NEB</b>	Net energy billing
<b>PUC</b>	Public Utilities Commission
<b>The Act</b>	P.L. 2021 ch. 390 (L.D. 936 An Act To Amend State Laws Relating to Net Energy Billing and the Procurement of Distributed Generation)

## Introduction

The 130<sup>th</sup> Legislature enacted P.L. 2021 ch. 390 (LD 936 – An Act To Amend State Laws Relating to Net Energy Billing and the Procurement of Distributed Generation, hereafter “the Act”) on July 1, 2021. The Act established additional eligibility requirements for distributed generation resources enrolling in the net energy billing programs established by 35-A MRS §3209-A and §3209-B, repealed the requirement that the Maine Public Utilities Commission (PUC) conduct procurements for distributed generation resources under 35-A MRS §3482, and directed the Governor’s Energy Office (GEO), in collaboration with the PUC, to convene a stakeholder group to “consider various distributed generation project programs to be implemented between 2024 and 2028<sup>1</sup> and the need for improved grid planning.” The Act further directed the submission of two reports by the stakeholder group, the first interim report to be submitted by January 1, 2022, and the second final report to be submitted by January 1, 2023.

Pursuant to the requirements set forth by the Act, the GEO, in collaboration with the PUC, formed the Distributed Generation Stakeholder Group (the Stakeholder Group). The Stakeholder Group submits this interim report to the Joint Standing Committee on Energy, Utilities and Technology consistent with the requirements of the Act.

## Stakeholder group membership

The following individuals served as members of the Stakeholder Group. In addition to the input of its members, the Stakeholder Group benefited from expertise and perspective provided by independent experts and advocates that presented during the Stakeholder Group’s meetings and members of the public that weighed in through written and verbal comments. Written comments provided throughout the stakeholder process to date, as well as presentations from meetings and other materials are available online at <https://www.maine.gov/energy/studies-reports-working-groups/current-studies-working-groups/dg-stakeholder-group>.

- Dan Burgess, Governor's Energy Office
- Philip Bartlett, Public Utilities Commission
- Andrew Landry, Office of the Public Advocate
- Anthony Buxton, Preti Flaherty Beliveau & Pachios on behalf of Industrial Energy Consumers Group
- Bob Cleaves, Dirigo Solar
- Neal Goldberg, Maine Municipal Association
- Arielle Silver Karsh/David Norman, Versant Power
- Sharon Klein, University of Maine School of Economics
- Fortunat Mueller, ReVision Energy
- Kaitlin Kelly O'Neill, Coalition for Community Solar Access
- Jeremy Payne, Maine Renewable Energy Association

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<sup>1</sup> The Stakeholder Group referred to this future program generally as the “successor program,” and continues the use of that term throughout this report.

- Jason Rauch, Central Maine Power
- Jessica Robertson, Borrego
- Phelps Turner, Conservation Law Foundation
- Amy Winston/Neils Zellers, Coastal Enterprises, Inc.

### Stakeholder group process

The Stakeholder Group held eight meetings between September and December 2021 to develop this interim report. All meetings were open to the public and included periods for the public to provide comment. Meetings were held virtually due to the COVID-19 pandemic.

Initial meetings of the Stakeholder Group focused on gathering information and input related to the interim report scope. These included presentations from Barbara Alexander of AARP Maine; Sarah Haggerty of Maine Audubon; Lon Huber of Duke Energy; Todd Olinsky-Paul of Clean Energy States Alliance; Karl Rabago of Rabago Energy; Dr. Richard Silkman of Competitive Energy Services; and Eric Steltzer of the Massachusetts Department of Energy Resources. Subsequent meetings concentrated on discussing areas of emerging consensus and developing this initial report. The Stakeholder Group focused its discussions in response to specific requirements set forth by the Act, while identifying both additional or related considerations that the Stakeholder Group agreed warrant further exploration through a formal process in continuation of the Stakeholder Group’s work to complete the final report due in 2023, as well as areas where ongoing or related efforts are already underway. Therefore, the Stakeholder Group structures this initial report in the following sections.

<b>Report Section</b>	<b>Summary</b>
Initial areas of consensus	The Stakeholder Group agreed to a set of consensus areas that will guide the Group’s continuing work as directed by the Act.
Current results of net energy billing programs	The Stakeholder Group includes this information to provide a status update on the results of the current net energy billing programs.
Holistic grid planning	The Stakeholder Group received presentations from multiple experts with information regarding various aspects of holistic grid planning processes, and also discussed relevant ongoing and upcoming efforts including proceedings before the Public Utilities Commission, recent stakeholder processes, and future work recommended by the Maine Climate Council. The Stakeholder Group agreed to uplift much of this ongoing work through this report, and to prioritize aligning where possible with existing and future efforts in this area.
Successor program framework	The Stakeholder Group discussed various considerations related to the overall design of a successor program. While the Stakeholder Group agrees additional engagement is needed to finalize a proposal for the successor program, this report documents progress to date.

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Successor program design process	The Stakeholder Group recognizes a need for additional engagement, both within the Stakeholder Group as well as with additional stakeholders who may have specific input on relevant aspects of the successor program, prior to advancing a proposal in 2023 consistent with the Act. Therefore, the Stakeholder Group sets out in this report a process by which it intends to achieve such a proposal and recommends actions needed to support it.
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### Initial areas of consensus

The Stakeholder Group’s discussions during development of this interim report were wide-ranging, covering topics such as program structure, best practices from other jurisdictions, costs and trade-offs between development of distributed generation and both other generation options as well as other aspects of state policy. In order to ensure future efforts are additive to those that took place during development of this interim report and to summarize general principles where the Stakeholder Group found agreement, this section describes areas where all members of the Stakeholder Group found themselves in general agreement with one another.

- Distributed generation resources will play an important role in the state’s achievement of greenhouse gas reduction requirements, renewable energy requirements, and goals for continued growth of the clean energy sector.
- Distributed generation resources have the potential to produce benefits to the electric system, as well as to the state, through avoided costs as well as resilience, environmental, public health, and economic benefits. The extent to which these benefits should be incorporated as objectives of a successor program requires additional analysis and discussion.
- Any program to promote distributed generation resources should be designed in a manner that optimizes net benefits and ratepayer cost-effectiveness and considers resources developed through existing net energy billing programs – as well as considers input from a broad range of stakeholders, and specifically accounts for barriers faced by low- and moderate-income, fixed-income, and historically marginalized communities.
- The Stakeholder Group intends to continue working in 2022 to refine the approach for optimizing cost-effectiveness and the manner by which a successor program should pursue these objectives.

## Current results of net energy billing programs

In 2019 Maine law changed to encourage the development of distributed generation (DG) resources, which are defined by statute as an electric generating facility with a nameplate capacity of less than 5 megawatts (MW) that uses a renewable fuel or technology and is located in the service territory of a transmission and distribution utility in the State (35-A M.R.S. §3481(5)). The primary mechanisms driving current distributed generation development are the two net energy billing (NEB) programs: kilowatt-hour credit and tariff rate. In 2021, through passage of the Act the Legislature placed a limit on projects eligible to participate and included a goal of 750 MW of distributed generation developed under the net energy billing programs.

### Kilowatt-hour credit program

This program is available to all investor-owned utility customers. Through the kilowatt-hour (kWh) credit program, NEB participants receive a credit for every kWh provided to the grid from their distributed generation. These credits can be used to offset future charges on a one-to-one basis during billing periods when the participant uses more energy than they generate. (35-A M.R.S. §3209-A.)

### Tariff rate program

This program is available to non-residential investor-owned utility customers. Through the tariff rate program, NEB participants enter a twenty-year contract to receive dollar credits for generation provided to the grid at a rate determined annually by the Maine Public Utilities Commission (PUC). These bill credits cannot cause a customer's utility bill to decrease below \$0 in any given billing period, and any unused credits expire after 12 months. (35-A M.R.S. §3209-B.)

## Net energy billing results

The net energy billing programs have stimulated substantial development of distributed generation resources, driven largely by solar photovoltaic projects. As of November 30, 2021, a total of 1,696 megawatts (MW) of distributed generation resources were enrolled in or seeking enrollment in the programs. These resources are summarized by utility and program type in Figure 1. "Active Operational" projects are currently operating. "Active Not Operational" projects have executed a net energy billing agreement but are not yet operating, and "Pending" projects have applied for a net energy billing agreement but have not yet executed it.

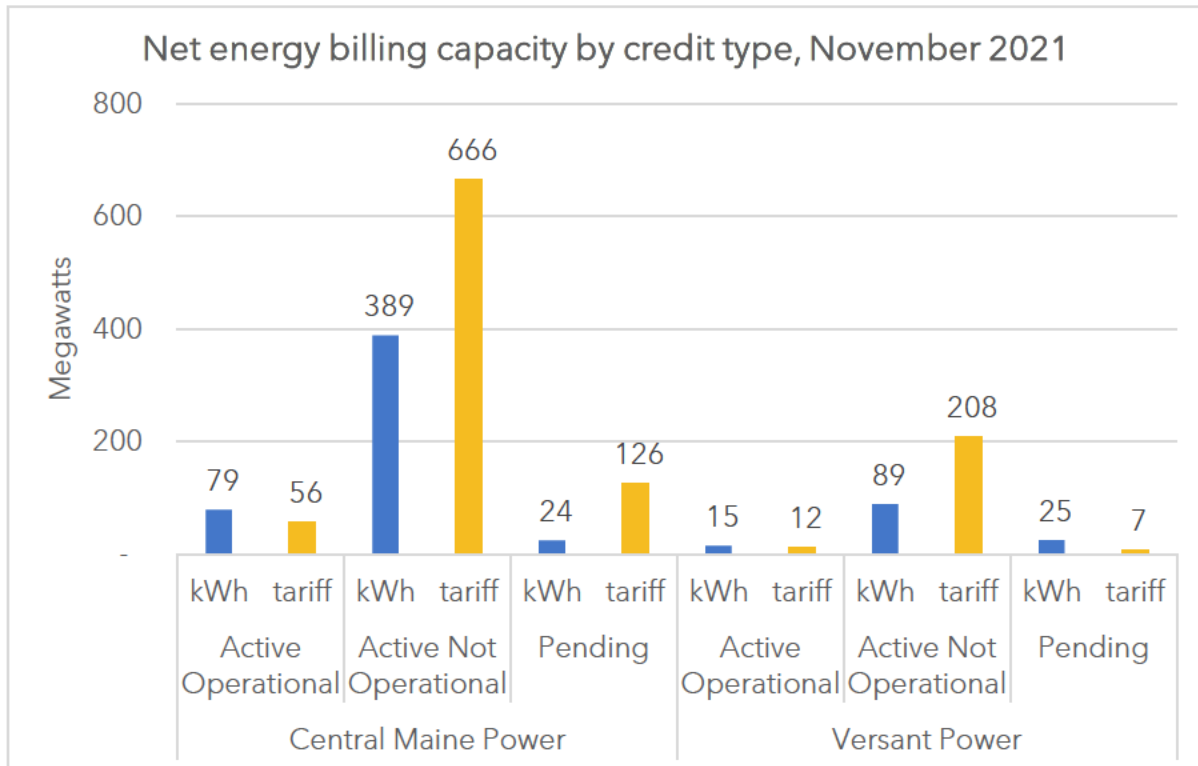


Figure 1 - Net energy billing capacity (megawatts) by utility and program credit type. A total of 161 megawatts are currently operational, while 1,353 megawatts have executed contracts and another 182 megawatts have applied for contracts. Source: Central Maine Power and Versant Power monthly reports through November 30, 2021 filed in docket 2020-00199.

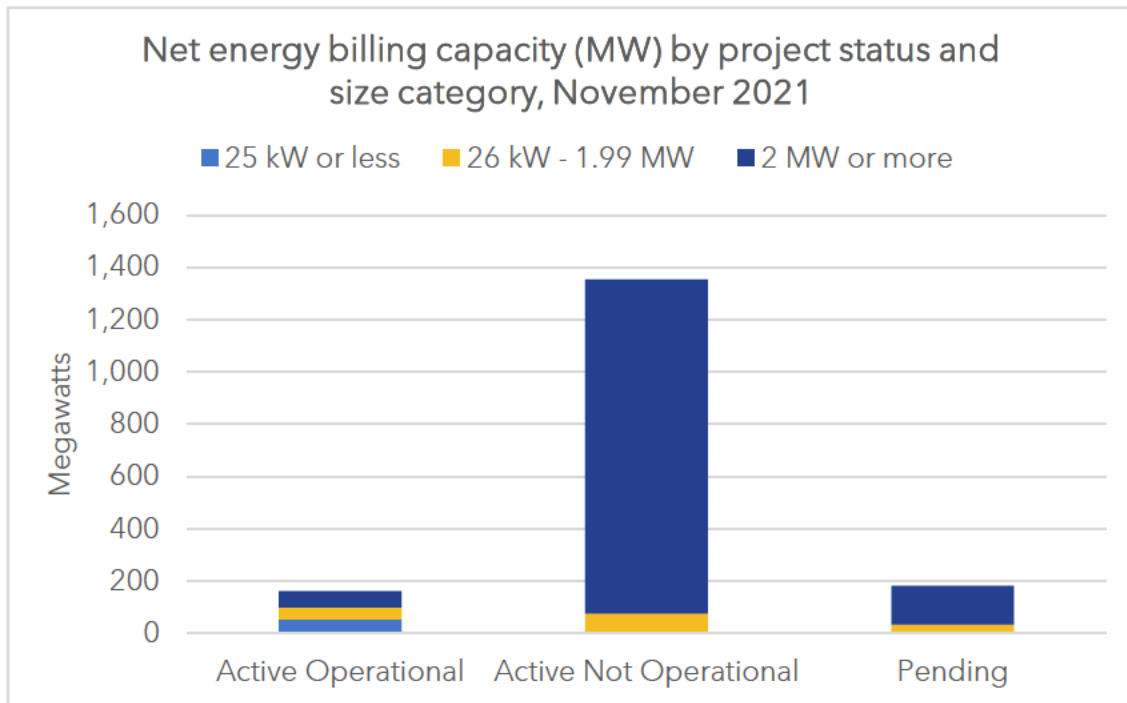


The majority of net energy billing capacity is associated with solar projects, although the programs also enrolled a number of largely pre-existing renewable resources as summarized in Table 1. There is broad agreement that developing resources (those in the Active not operational and Pending categories) may face considerable attrition due to a variety of factors not easily quantified.

*Table 1 - Net energy billing resources by project status and resource type, November 2021.  
Source: Central Maine Power and Versant Power monthly reports through November 30, 2021  
filed in docket 2020-00199.*

Net energy billing resources	Total capacity (MW)
<b>Active Operational</b>	<b>161.4</b>
Hydro	29.1
Solar	124.5
Wind	5.5
Biofuels and CHP	2.4
<b>Active Not Operational</b>	<b>1,353.1</b>
Solar	1,353.1
<b>Pending</b>	<b>182.0</b>
Hydro	0.4
Solar	181.3
Biofuels and CHP	0.3
<b>Total</b>	<b>1,696.5</b>

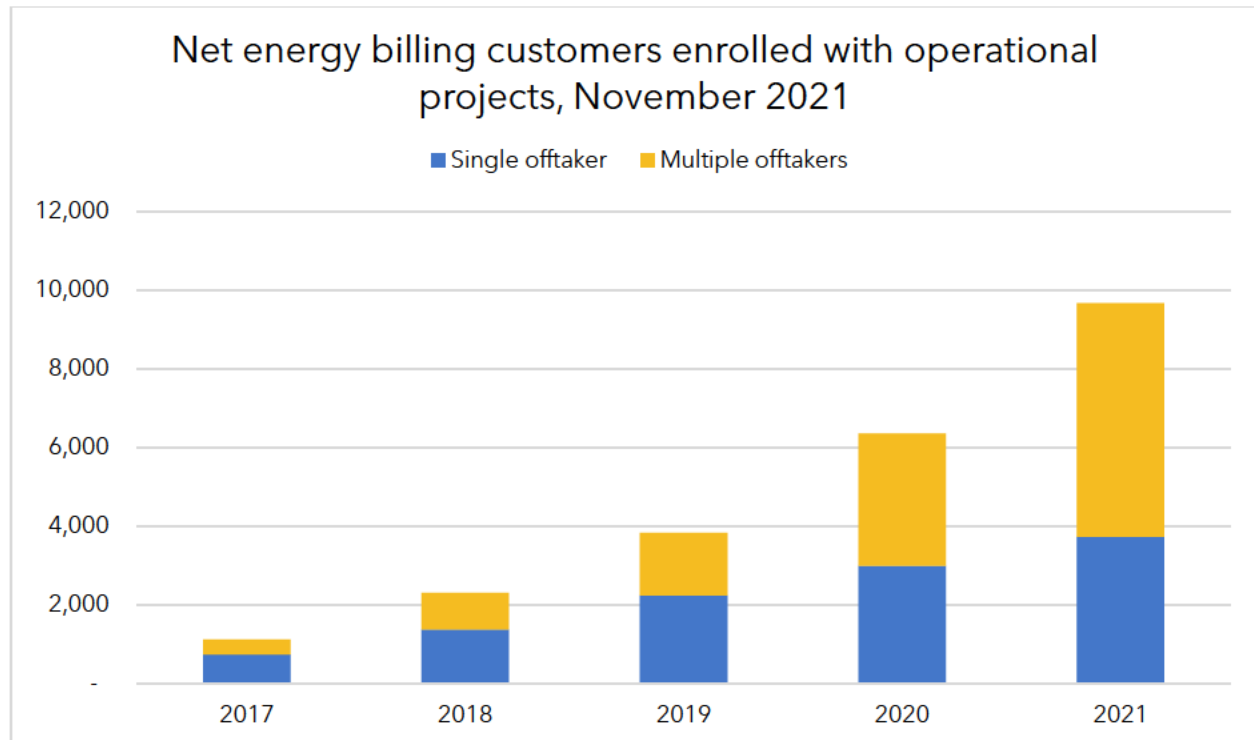
Figure 2 below illustrates the information summarized in Table 1 with the addition of size categories. Projects 25 kW or less are likely to be residential rooftop solar or similar scale resources and are eligible for expedited interconnection under Chapter 324 of the PUC’s rules. Projects less than 2 megawatts are eligible for continued enrollment in existing net energy billing programs and are not subject to the additional requirements and cap for net energy billing projects between 2 and 5 megawatts established by the Act.<sup>2</sup>



*Figure 2 - Net energy billing capacity by project size and status. 94% of active not operational project capacity is associated with projects between 2 and 5 megawatts. Source: Central Maine Power and Versant Power monthly reports through November 30, 2021 filed in docket 2020-00199.*

<sup>2</sup> See P.L. 2021 ch. 390 section 1.

Utility customers who receive net energy billing credits through either of the net energy billing programs are commonly referred to as “oftakers.” Multiple oftakers may share the output of a single net energy billing project as described above. Figure 3 illustrates the number of oftakers associated with operational net energy billing projects by year.



*Figure 3 - Total (cumulative) net energy billing project subscribers, or "oftakers," by year. Includes both kilowatt-hour credit and tariff credit programs. Source: Central Maine Power and Versant Power monthly reports through November 30, 2021 filed in docket 2020-00199.*

The above-referenced additional requirements created by the Act for net energy billing projects between 2 and 5 megawatts appear to have driven a reduction in planned capacity for a number of solar projects currently seeking interconnection and presumably enrollment in net energy billing. Since June 2021, at least 30 projects seeking interconnection to Central Maine Power’s distribution system had reduced their capacity from 4.99 megawatts to 1.99 megawatts.

## Holistic grid planning

The Stakeholder Group discussed how a defining challenge of the present moment is that the power sector has embarked upon an era of rapid and transformational change, both physically and operationally, but the grid planning paradigm has only just begun to transform alongside it. Grid planning must be transformed to serve the needs of the power sector of the future, but at the same time must continue to provide safety and reliability, while accommodating the energy transition in real time. The Stakeholder Group is similarly charged with two parallel tasks: to envision a new, holistic grid planning process, and to design a new distributed generation program before the results of that holistic grid planning process are known.

The Stakeholder Group is charged by the Act with two sets of recommendations related to holistic grid planning: first, how the state should undertake the adoption and implementation of a forward-looking, holistic grid planning process; and second, how information from a holistic grid planning process can be included to improve a distributed generation project program.

## Adoption and implementation of holistic grid planning

Ideas discussed by the Stakeholder Group regarding how the State should undertake the adoption of a forward-looking, holistic grid planning process included initiation of the Governor's Energy Office-led power sector transformation process recommended by the Maine Climate Council;<sup>3</sup> review of the findings of the Public Utility Commission-led grid modernization docket (2021-00039), in particular the consultant report due in February 2022;<sup>4</sup> and an intention by the Stakeholder Group to build upon the work of the Maine Utility/Regulatory Reform Initiative, which released a report including recommendations for a holistic grid planning process produced through a robust stakeholder process in April 2021.<sup>5</sup>

In discussing how the State should undertake the implementation of a forward-looking, holistic grid planning process, members of the Stakeholder Group raised options including implementation of a PUC-led holistic grid planning process, based on the Stakeholder Group's revisions of the process outlined in the MURRDI report, that includes opportunity for public review and comment; beginning implementation expediently, building upon the ongoing work in PUC docket 2021-00039 to investigate the current state of grid operation and planning;

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<sup>3</sup> According to *Maine Won't Wait*, the Maine Climate Council's four-year plan for climate action released on December 1, 2020, this power sector transformation process "will be managed by the Governor's Energy Office in coordination with the Maine Public Utilities Commission. Areas for consideration should include: utility structure, load management, data and information access, grid modernization and expansion, non-wires alternatives, interconnection, distributed energy resources, aggregation, equitable cost allocation, and rate design, integrated grid planning, regional and local electricity markets, regional collaboration, reliability and resiliency, and changes in law and regulation."

<sup>4</sup> According to the February 18, 2021 Public Utility Commission's Notice of Summary Investigation in that docket, the Commission "will conduct an in-depth, structured, and comprehensive examination of the future design and operation of the electric distribution system in Maine to accommodate both the integration and operation of increasing amounts of DER and the potential for substantial load growth resulting from electrification efforts to meet climate change initiatives and objectives."

<sup>5</sup> <https://www.betterenergy.org/wp-content/uploads/2021/04/MURRDI-Stakeholder-Process-Summary.pdf>

potential funding for the expansion of staff capacity at both the GEO and the PUC to include technical staff dedicated to grid planning; a potential requirement that the electric distribution companies file ten-year grid modernization plans to be updated on a rolling basis every three years addressing the topics enumerated in section 1.1 of the MURRDI report; and how potential funding sources for grid investments could include fees paid by interconnecting customers, utility cost recovery from ratepayers, allocations from the general fund, and/or federal infrastructure funding.

### Informing the design of a successor program with holistic grid planning

The Stakeholder Group discussed how while it is broadly true that distributed generation provides different value to the grid depending on its location on the grid, designing a DG program around this concept can be highly complex, as the locational value of DG is ever-changing. At even the most basic level, any price signal incorporated into an incentive program will likely attract DG development to that area until the need is satisfied, and if the price signal is not removed, DG development could continue until new problems are created due to over-saturation. The Stakeholder Group discussed whether, based on the current level of planning and regulatory capacity at the PUC, the GEO, and the investor-owned utilities, incorporating this type of price signal into a DG program would be a challenging endeavor.

However, the Stakeholder Group did discuss the manner in which more holistic grid planning approaches could shape a successor program. For example, if the successor program were structured as an annual procurement, a holistic grid planning process could inform a set of location-based incentives or disincentives that are incorporated into the procurement scoring criteria. A similar adjustment could be applied to a feed-in tariff<sup>6</sup> program if the rates are adjusted regularly, such as annually. These program signals could consider the various services DG can provide to the grid, including deferring capital investment, providing resiliency, and others. The Stakeholder Group views the establishment of a holistic grid planning process as important to the State, as well as specifically an important component of informing future distributed generation deployment targeted to address specific electric system-related needs.

The Stakeholder Group views the direction from the Act to identify “the optimum total amount of distributed generation for the program period calculated using 7% of total load based on operational capacity” as deeply intertwined with the broader directive to determine how grid planning should inform the development of a successor program. The Stakeholder Group discussed a methodology for calculating this value as specified by the Act, including an illustrative calculation that relied on simplifying assumptions that would not be sufficient for determining a final value.<sup>7</sup> The Stakeholder Group concluded that an alternative methodology that considers a broader range of benefits and costs as well as other program considerations

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<sup>6</sup> During its discussions and in some working materials, the Stakeholder Group occasionally referred to this model as a “walk-up” program.

<sup>7</sup> See <https://www.maine.gov/energy/sites/maine.gov.energy/files/inline-files/Illustrative%20calculation%20of%20program%20target%20Oct%2021%202021.pdf>

and overall results of net energy billing and other renewable energy market factors would be better suited to determining a program target.

The Stakeholder Group discussed the type of information from holistic grid planning that should be included in considering a successor program, which could include load forecasting that accounts for electrification; load flexibility mechanisms and impacts thereof; the state's economic, equity, clean energy and climate objectives. Inclusion of this information will inform more accurate identification of and planning for: the amount of DG that will be required; the most cost-effective locations for future DG; the most cost-effective distribution system upgrades required to serve future DG; methods of interconnection of DG; and allocation of costs of DG development.

### Successor program framework

The Stakeholder Group discussed various considerations related to the overall structure of a distributed generation program to be implemented between 2024 and 2028. The Stakeholder Group agreed to the following considerations for the successor program. These considerations are not listed in order of priority; while the Stakeholder Group generally agreed each consideration warrants inclusion, the relative weight given to each if tradeoffs are deemed necessary was an area where the Stakeholder Group agreed further discussion, supporting analyses, and/or engagement with additional stakeholders may be warranted. The methods by which the Stakeholder Group intends to conduct these discussions, analyses, and engagement, as well as resources necessary to complete them, are detailed later in this report.

- Target locations with highest value to grid to the extent possible, recognizing this objective is dependent on an ongoing, iterative, complex process.
  - Highest value to the grid could include values attributed to increasing reliability, resiliency, and avoiding higher cost alternatives. These values depend heavily on both locational and temporal aspects of distributed generation projects as well as the potential alternatives which they may be designed to avoid.
  - Highest value to the grid should also be determined in part with consideration given to expected load growth, expectations of which should be informed by a holistic grid planning process.
- Recognize the expected increasing opportunities for energy storage, with attention given to maximizing the value of energy storage deployments.
- Broader, targeted stakeholder engagement with more time is necessary to inform inclusion of additional specific policy considerations, including land use, equity and access, and billing and crediting.
- Achieve the objectives of the program, including co-benefits, at the lowest cost to ratepayers possible. The Stakeholder Group will discuss in the coming year how to measure benefits and cost.

### Successor program eligibility

The Stakeholder Group discussed considerations for eligibility in the successor program. The Stakeholder Group understood its charge, consistent with the Act, to be a successor program for distributed generation projects specifically ranging from 2 to 5 MW in nameplate capacity, and generally adhered to this range in its discussions while preparing this interim report. The Stakeholder Group did discuss certain factors that could suggest alterations to the 2-5 MW range specified in the Act, including whether allowing larger projects to participate in a competitive procurement could capture additional economies of scale and therefore achieve more generation at a lower price, as well as how to treat projects smaller than 2 megawatts. While these issues were not addressed in this report, discussion of appropriate size will take place in advance of the final report.

Alternatively, the Stakeholder Group discussed whether distinguishing eligibility for the successor program based on whether or not a project is collocated with load – such as behind a customer meter, interconnected on the same circuit, or occupying the same or an adjacent parcel – might more effectively target certain desirable benefits associated with distributed generation and reduce the potential for unintended distortion of the cost-causation principle.

The Stakeholder Group also discussed whether a successor program would more efficiently achieve its objectives if output were purchased directly by transmission and distribution utilities and allocated uniformly or automatically to all customers, or to certain targeted customer classes, rather than allocated specifically through bill credits as under the existing net energy billing programs. Potentially desirable elements of such a model could include reduced customer acquisition and retention costs, costs associated with billing and crediting complexity, customer confusion and protection enforcement, and more efficient targeting of hard-to-reach or historically underserved customers who are often less likely to participate in opt-in programs and thereby can inequitably bear costs without receiving benefits. However, some disadvantages could include perceived lack of opportunities for customers to participate directly in supporting renewable energy deployment in their communities.

### Successor program framework

The Stakeholder Group discussed various structures for a successor program, including a procurement model with a competitive bid, a feed-in tariff or “walk-up” model, a combined model incorporating elements of both, and alternatives as they are identified. Although this Stakeholder Group does not yet recommend one approach above the others, the following summary describes some of the considerations the Stakeholder Group discussed related to each of these program structures.

<b>Program model</b>	<b>Description</b>	<b>Considerations</b>
Procurement	Under a procurement model, the Public Utilities Commission would conduct a competitive solicitation for distributed generation projects and direct transmission and distribution utilities to enter long-term contracts with selected bidders.	Recent procurements conducted in Maine have resulted in competitive prices for renewable resources. However, other recent examples have been ruled non-competitive. In addition to cost, other desirable attributes can be scored favorably during a procurement, although specifying weights and metrics to achieve desirable outcomes can quickly become complex. Procurements tend to drive competitive pricing but may be less flexible to individual project development considerations.
Feed-in tariff	Under a feed-in tariff model, distributed generations projects would be compensated for the output of their generation at a specific rate, which could depend on specific attributes of the project or output, known as a “feed-in tariff.”	Feed-in tariffs have been successful in stimulating development of renewable resources in other jurisdictions and can provide more flexibility for potential projects to develop. An overall cap, potentially combined with carve-outs for projects with desirable attributes, may be desirable. Setting the base tariff, as well as any potential adjustments for project attributes, can be complex and risks either exposure to unnecessarily high program costs or undercompensating projects and failing to realize the objectives of the program.
Combined procurement and feed-in tariff	Under a combined procurement and feed-in tariff model as discussed by the Stakeholder Group, an initial procurement would be conducted to establish a competitive base price for a subsequent feed-in tariff, which could be adjusted based on project characteristics and remain available following the initial procurement period.	A combined model has the potential to capture benefits from both approaches, using an initial competitive procurement to produce a market-based initial price that could then form the basis of a subsequent feed-in tariff. This would mitigate the risk of over- or undersetting the tariff, while also allowing flexibility for projects to develop in the program outside a specified procurement window. The feed-in tariff could also be adjusted to compensate other project attributes in accordance with policy priorities if desired. Such a combined approach would also be the most administratively complex option to implement.



In addition to potential frameworks for the successor program described above, the Stakeholder Group discussed additional policy priorities that could be incorporated into a successor program. The Stakeholder Group broadly agreed attaining the objectives of the successor program with careful attention to costs – although members of the Group expressed different preferences for how specifically costs should be measured and addressed – and acknowledged a general sense that additional complexity associated with incorporating other policy considerations into the design of a successor program may in at least some instances result in increased costs. However, the Stakeholder Group also discussed the need to engage additional perspectives to inform consideration of other policy objectives which could be incorporated into a successor program framework to more clearly understand and weigh any potential tradeoffs.

### Successor program design process

The Stakeholder Group recommends the following process to structure its work in 2022, culminating in issuance of its final report including recommendation of the successor program consistent with the Act.

#### Formation of issue-focused working sessions

Organized through the Distributed Generation Stakeholder Group, focused listening and/or work sessions will be held with additional stakeholders to address specific areas in the successor program design. These focused working sessions will include members of the Stakeholder Group, as well as specific representatives depending on the issue. Issue-focused work sessions will be organized as needed to provide final recommendations on design criteria for policy focused components of the successor program by mid-2022. The Governor’s Energy Office should contract with an expert team as needed to facilitate the activities of these work sessions. Sources of funding for this work may be needed and will likely influence the eventual scope and content of work sessions.<sup>8</sup>

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<sup>8</sup> To the extent existing resources are not sufficient, the Legislature may need to provide additional funding to the GEO to support the work of the Stakeholder Group.

<b>Work session topic</b>	<b>Additional membership</b>	<b>Targeted outcomes</b>
Equity and access	Environmental justice and low-income advocates. Representatives with knowledge of low-income fuel assistance and affordable housing. Historically underrepresented groups. Expertise in financing models that address barriers to renewable energy access.	Include alignment with ongoing LD 1682 <sup>9</sup> process and equity subcommittee of Maine Climate Council. <sup>10</sup> Discuss possible community ownership models. Discuss ways to expand access to socially vulnerable groups. Discuss ways to address potential bill impacts for low-, moderate-, and fixed-income ratepayers.
Land use	Representatives from relevant natural resource agencies. Members from the Agricultural Solar Stakeholder Group. <sup>11</sup>	Discuss applicable land use considerations, including methods for incorporating such considerations into the design of a successor program.

Additional working sessions could be conducted through the Stakeholder Group to address specific topics as needed. For instance, an energy storage working session could provide recommendations on storage siting and storage incentives, or a billing and crediting session could propose recommendations to increase efficiencies in billing and crediting structures in both the existing net energy billing program and potentially a successor program.

### Technical and economic analysis

In addition to analysis and facilitation support for the working sessions detailed above, the Stakeholder Group recommends the Governor’s Energy Office contract with an expert team to provide technical and economic analyses to support the Stakeholder Group’s achievement of certain additional requirements for the Stakeholder Group’s final report consistent with the Act. Specifically, section 4, subsection 3 paragraphs A through G variously direct the Stakeholder Group to conduct “consideration,” “identification,” and “updates” on specific

<sup>9</sup> P.L. 2021 ch. 279 (LD 1682 An Act To Require Consideration of Climate Impacts by the Public Utilities Commission and To Incorporate Equity Considerations in Decision Making by State Agencies). This law requires the Governor’s Office of Policy Innovation and the Future, in consultation with other state offices and agencies, to develop methods and definitions applicable to the Stakeholder Group’s work on these topics by February 2022.

<sup>10</sup> The Equity Subcommittee of the Maine Climate Council is tasked with setting equity outcomes for climate actions, monitoring progress and making recommendations to the Council to ensure programs and benefits reach diverse and isolated populations and communities.

<sup>11</sup> The Agricultural Solar Stakeholder Group was convened in 2021 by the Department of Agriculture, Conservation and Forestry and the Governor’s Energy Office and is expected to issue a report with recommendations in January 2022.

topics. To achieve these objectives and issue recommendations supported by robust analysis and suitable to Maine’s specific policy context, sources of funding for this work may be needed.<sup>12</sup>

#### Straw proposal and final report

The Governor’s Energy Office, in collaboration with the Stakeholder Group and considering any recommendations identified through working sessions, information as available from relevant planning work, and results of technical and economic analyses as applicable and available, will craft a straw proposal for the successor program to be released in 2022. The straw proposal would be issued for public comment, with at least a 30-day period for interested members of the public to provide written comments. Additional targeted public meetings could be organized through the Stakeholder Group to solicit feedback from the public.

The Stakeholder Group, considering feedback provided from the public comments, will craft a final successor program proposal to be included in the final report delivered to the Legislature in 2023 consistent with the Act.

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<sup>12</sup> To the extent existing resources are not sufficient, the Legislature may need to provide additional funding to the GEO to support the work of the Stakeholder Group