

Via Electronic Filing

July 28, 2021

Michael Stoddard, Executive Director
Efficiency Maine Trust
168 Capitol Street, Suite 1
Augusta, Maine 04330-6856

Re: Council Comments on Efficiency Maine Trust Triennial Plan: Staff's First Draft

Dear Executive Director Stoddard,

The Northeast Clean Energy Council (the "Council") appreciates the opportunity to provide comments in response to the Efficiency Maine Trust ("Trust") Triennial Plan: Staff's First Draft ("Draft Plan"). The Draft Plan represents a continued commitment to energy efficiency and a recognition that active demand reduction will play an increasing role in the efficiency portfolio. Since the Draft Plan was released on June 9th 2021, the Legislature passed, and Governor Mills signed, LD 528, which requires and authorizes the inclusion of energy storage in the Trust's efficiency programs.

The Council is a clean energy business, policy, and innovation organization whose mission is to create a world-class clean energy hub in the Northeast, delivering global impact with economic, energy and environmental solutions. The Council is the only organization in the Northeast that covers all of the clean energy market segments, representing the business perspectives of investors and clean energy companies across every stage of development. The Council members span the broad spectrum of the clean energy industry, including clean transportation, energy efficiency, wind, solar, energy storage, microgrids, fuel cells, and advanced and "smart" technologies.

The Council offers the following recommendations and comments on the Draft Plan:

National Standard Practice Manual for Distributed Energy Resources

The Council applauds the Trust for incorporating the National Standard Practice Manual for Distributed Energy Resources ("NSPM for DERs") into the Draft Plan, specifically for the accounting for Maine's emissions reductions goals by factoring in the non-embedded cost of carbon into the Draft Plan. The Trust has an additional opportunity to utilize the framework provided by the NSPM for DERs for the new provisions related to energy storage, ensuring that storage is evaluated in a comparable manner to passive efficiency. The Council recommends relying on the NSPM for DERs in the cost-effectiveness assessment of energy storage programs in the next Draft Plan. Further, The Council recommends more broadly that a consistent BCA framework for all DER investments – whether supported by the Trust or by the

utilities – be used to value resources to ensure alignment with Maine’s energy policy goals and objectives.

Principle #1 of the NSPM for DERs sets forth that the framework for conducting benefit-cost analyses – including use of consistent cost-effectiveness principles, definitions, methodologies, and assumptions – should be the same for all DERs. This does not mean that the same impacts apply in all cases for each DER. However, the primary cost-effectiveness test itself should identify the full range of potential utility and non-utility system impacts of interest or concern to the state (based on Maine’s applicable policy goals) and apply any that are applicable to each type of DER being considered – recognizing that some impacts will be Not Applicable for certain DERs.

As such, avoided cost inputs/assumptions and methodologies should be consistent across all DER assessments, as should methods for valuing relevant non-utility system impacts. Not only is a consistent BCA framework relevant to utility DER programs, but it extends to the broad range of investment and distribution system planning and broader resource planning efforts. A consistent assessment of DERs, ensures that the state makes the appropriate investments in resources that resulting in achieving applicable policy goals and wisely utilizing ratepayer funding.

Further, a consistent BCA framework for valuing resources helps to streamline the commission and stakeholder review processes, which helps to avoid complication and efforts to differentiate tests, assumptions and methods used for different resources being addressed in different dockets.

Energy Storage

This session, the Legislature signaled its commitment to optimizing energy use by passing LD 528. In addition to setting an energy storage deployment target of 400 MW by 2030, the bill requires and authorizes the Trust to incorporate energy storage, through programs and pilots, into the energy efficiency programs. Energy storage represents a cost-effective opportunity to make the state’s energy use more efficient with less climate and other pollution.¹ Maine has made a noble commitment to the promise of energy storage to assist the state; as we’ve seen in other markets, this commitment can only be achieved/ met with sufficient incentives to attract developers to the market. By compensating storage resources for deliver demand savings, emissions reductions, and customer reliability, the Trust can promote this growing industry and deliver outsized ratepayer benefits. The Council offers the following commentary on certain provisions in LD 528 and recommendations for incorporating energy storage into the next iteration of this Draft Plan.

¹ For instance, the Local Solar for All Roadmap found that developing 247 GW of local rooftop and community solar and 160 GW of local energy storage is the most cost-effective way for the United States to transition to a clean energy system by 2050, while saving consumers up to \$473 billion on electricity. See <https://static1.squarespace.com/static/5f4637895cfc8d77860d0dbc/t/5fd39999439c7c5ec221499b/1607702942515/Local+Solar+Roadmap+White+Paper+as+PPT+FINAL.pdf>, Slide 20.

Sections 3 through 5 of LD 528 allow the Trust to incorporate energy storage into the existing energy efficiency portfolio, as well as to evaluate opportunities to expand existing opportunities and develop new opportunities to support energy storage. Across New England, energy storage programs have been successfully and cost-effectively incorporated into energy efficiency programs. We appreciate that the Trust has already found that energy storage is a cost-effective technology and intends to include it in the new Load Shifting Initiative. As it appears that this initiative is under development, the Council recommends that the Trust model this initiative on the ConnectedSolutions programs run by efficiency program administrators in Connecticut, Massachusetts, New Hampshire, and Rhode Island.² ConnectedSolutions has been successful in compensating energy storage resources for responding to utility-called dispatch events that deliver outsized ratepayer impact by reducing demand and marginal emissions.

The Council further encourages the Trust to evaluate the potential for programs that incentivize the deployment of energy storage and compensate said storage for dispatch. While similar to ConnectedSolutions, these programs could be larger and also provide upfront incentives to ensure that energy storage is deployed to meet the state's targets. The Council has been closely involved in the development of such a program in Connecticut.³ As contemplated in the July 1st Proposed Final Decision,⁴ Connecticut's program would target 580 megawatts of storage development by 2030 and would provide upfront incentives to residential and commercial and industrial storage, as well as compensate those resources for delivering energy to reduce peak demand during utility-called dispatch events. Importantly, Connecticut Green Bank retained Guidehouse to perform a benefit-cost analysis on this program and found that the program is cost effective using any of the several cost-effectiveness tests, including the Ratepayer Impact Measure. We are happy to discuss this process further with the Trust staff.

Section 6 of LD 528 requires the Trust to conduct a pilot program to provide energy storage to critical facilities. The Council is supportive of this effort and notes that the costs associated with operating critical facilities during an outage vary based on the type of emergency operations the facility is responsible for, critical load, islanding requirements, and the duration of the outage that is planned for. These considerations will be crucial in determining which proposals provide the greatest benefit for the proposed cost. In the context of climate change and increasingly frequent natural disasters and outages, compensating the dispatch of microgrid and energy storage systems to provide resiliency and maintain critical operations during system outages is a priority that will save lives, improve energy security and maximize the effectiveness of Federal, State, and Local emergency response operations.

As a whole, the Trust has an opportunity to evolve the energy efficiency programs to capture additional demand reduction savings by fully incorporating energy storage into the next iteration

² See, for instance, National Grid's Massachusetts program: <https://www.nationalgridus.com/MA-Home/Connected-Solutions/BatteryProgram>

³ Connecticut Public Utilities Regulatory Authority Docket 17-12-03RE03. A final decision is expected on July 28th, 2021.

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[http://www.dpuc.state.ct.us/dockcurr.nsf/4b3c728dd1c0d642852586db0069aa70/b30fbb00583d07c0852587050076e5ba/\\$FILE/17-12-03RE03%20PFD.pdf](http://www.dpuc.state.ct.us/dockcurr.nsf/4b3c728dd1c0d642852586db0069aa70/b30fbb00583d07c0852587050076e5ba/$FILE/17-12-03RE03%20PFD.pdf)

of the Draft Plan. The Council and its members are eager to assist in the development of these programs, drawing on our experience around the region.

Conclusion

The Council thanks the Trust for the opportunity to provide comments on the Draft Plan. The Draft Plan represents continuous progress towards reducing energy usage and greenhouse gas emissions. The NSPM provides a framework under which the entire plan can be holistically considered, including the energy storage opportunities created by LD 528. Please contact us with any questions.

Sincerely,



Jeremy McDiarmid
Vice President, Policy & Government Affairs



Sean Burke
Policy Associate