

**STATE OF MAINE
PUBLIC UTILITIES COMMISSION**

Commission Initiated Rulemaking
Amendments to Electric Transmission and
Distribution Utility Service Standards Chapter
320

Docket No. 2022-00052

**NATURAL RESOURCES
COUNCIL OF MAINE
COMMENTS ON PROPOSED
RULEMAKING**

March 31, 2022

On March 3, 2022, the Public Utility Commission issued a Notice of Rulemaking for proposed amendments to Chapter 320, the Commission’s Electric Transmission and Distribution Utility Service Standards Rule, and requested that comments be filed by March 31, 2022, to allow adequate time for related inquiries during the public hearing on April 27, 2022. The Natural Resources Council of Maine (NRCM) appreciates this opportunity to provide input on the proposed rule and respectfully offers the following comments for consideration.

The proposed rule builds on the Inquiry into Performance Metrics and Regulatory Mechanisms for Transmission and Distribution Utilities (Docket No. 2020-00344) launched in 2020 yet is significantly narrower in scope than the subject of that inquiry. Notably, the rulemaking fails to address critical areas of performance addressed in the inquiry: affordability and cost control; distributed energy resource interconnection and deployment; grid modernization; and energy and environmental policies. As such, the proposed rule is a missed opportunity by the Commission to encourage Maine’s electric utilities to integrate the state’s climate and clean energy goals into their investments and operations. It also represents a negligence on the part of the Commission to act on its recently expanded mandate to facilitate the achievement of the state’s greenhouse gas emission reduction requirements under Title 35-A MRSA §101 and §103-A, effective as of October 18, 2021.

Additionally, the proposed rule employs a soft approach to motivate improvements in performance. While a public-facing report card can be an effective public relations tool to help hold a utility accountable to and communicate with its customers, the proposed rule falls short of employing predictable economic signals that can be incorporated readily into a utility's bottom line, i.e., the incentive and penalty mechanisms that were the subject of discussion and comments in the subsequent inquiry of Docket 2020-00344.

The Natural Resources Council of Maine recognizes the value of adopting improved metrics and reporting requirements for outage response, system reliability, call answering, billing, and customer satisfaction. These are areas where Maine's investor-owned utilities have notorious track records, and the Commission's efforts to strengthen regulatory oversight are warranted and welcome. The proposed rulemaking is a step in the right direction but fails to go far enough. This is particularly true under the conditions of urgency with which we face the climate crisis and the need to transform our power sector to optimize renewable energy resources and load flexibility to meet increased electric demand in the transportation and buildings sectors at least cost to rate-payers.

The Commission should make a commitment to expand the service standards into other forward-looking areas of utility performance with a clear workplan and timeline for program development and review. This workplan would be linked to priorities identified in various ongoing efforts: 1) The Commission Initiated Investigation of the Design and Operations of Maine's Electric Distribution System (Docket No. 2021-00039), based on the priorities that emerge from the Distribution System Roadmaps for example; 2) The annual planning studies for small transmission and distribution projects pursuant to Title 35-A MSRA§3132-B and other aspects of the non-wires alternative processes; 3) Rate reform objectives identified in the

Commission Initiated Investigation into Transmission and Distribution Utility Rate Design to Promote State Policies (Docket No. 2021-00325); and 4) other related dockets and planning efforts.

At a minimum in amending Chapter 320 on Electric Transmission and Distribution Utility Service Standards, current revisions should include data reporting requirements for metrics within the four categories of performance omitted in the proposed rulemaking and listed above, with the explicit goal of gathering information, developing meaningful indicators, and establishing benchmarks against which to evaluate performance in future iterations of the service standards. These may be excluded from the report card during the research phase, but the workplan would outline a schedule for data analysis and benchmark development, including potential adoption of penalty-reward mechanisms to further motivate behavior change.

With respect to specific comments on the proposed report card template, NRCM strongly opposes the inclusion of “renewable policy programs” in the rate information chart. Firstly, neither in the report card nor in the proposed rule does the Commission define how it will calculate this value. Secondly, methodologies for the benefit-cost analysis of distributed energy resources are complex and require careful consideration of how to treat costs and benefits that may be monetized by different entities across the transmission and distribution system and society at large and may directly or indirectly affect the other rate categories in the chart (i.e., distribution and transmission). This is the subject of extensive research and public vetting at commissions across the country.¹ There have been a number of related studies already in Maine

¹ National Energy Screening Project, “National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources,” August 2020, available at <https://www.nationalenergyscreeningproject.org/national-standard-practice-manual/>.

with diverging results,² and the Distributed Generation 2.0 Stakeholder Group, to which the Commission is party, has proposed an additional study in the first half of 2022 to help clarify this issue. Currently there is no agreement on the appropriate approach for the Commission to take, and to include this here risks politicizing a public interest communications effort. Thirdly, it is irrelevant and distracting to include this breakdown in a public report card that aims to communicate information about the service standards identified in the proposed rulemaking. Showing the rate impacts of outage response, grid hardening, billing accuracy assurance programs, and customer call center operations, for instance, would be more fitting.

Thank you for this opportunity to comment.

Respectfully submitted,



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² Daymark Energy Advisors, Costs and Benefits of Maine's Net Energy Billing Program, March 11, 2021, available at https://www.renewablemaine.org/docs/Costs_and_Benefits_of_Net_Energy.pdf. Maine Public Utilities Commission, Maine Distributed Solar Valuation Study, March 1, 2015, available at <https://www.clf.org/wp-content/uploads/2016/08/MPUCValueofSolarReport.pdf>.