

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

CENTRAL MAINE POWER COMPANY

Re: Request for Approval of
NonTransmission Alternative (NTA) Pilot
Projects for the Mid-Coast and Portland
Areas

Docket No. 2011-00138

JOINT BRIEF
OF THE
OFFICE OF THE PUBLIC ADVOCATE
AND
EFFICIENCY MAINE TRUST

February 18, 2022

Office of the Public Advocate
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Table of Contents

I.	ARGUMENT SUMMARY	1
II.	CMP SHIFTS RATIONALE AND ATTEMPTS TO CHANGE PLANNING STANDARDS TO DEFEAT THE PURPOSES OF THE NWA ACT	3
III.	BENEFIT COST ANALYSIS	6
	A. Benefit Cost Analysis Overview	6
	B. Costs included in the Section 80 NWA Option 3 Benefit Cost Analysis	7
	C. Benefits included in the Section 80 NWA Option 3 BCA.....	8
	D. Benefit Cost Ratio Calculation for the Section 80 NWA Option 3	8
	E. The Benefit Cost Analysis Does Not Include a Utility’s Sunk Costs	9
IV.	THE COMMISSION GIVES PREFERENCE TO COST EFFECTIVE NONTRANSMISSION ALTERNATIVES IN ITS SECTION 80 NWA PROJECT REVIEW UNDER 35-A M.R.S. § 3132- A 2.....	10
V.	APPLICATION OF THE NWA ACT REQUIREMENTS DEMONSTRATES THERE IS NO NEED FOR AN UPGRADE TO THE CAPACITY OF SECTION 80.....	11
	A. The NWA Act Requires Both Commission Assessment of Public Need for the Section 80 Rebuild and Commission Assessment of Cost-Effective NWA Options	11
	B. The Purpose of the NWA Statute is to Lower Electric Rates	15
VI.	CONCLUSION.....	16

I. ARGUMENT SUMMARY

The Office of the Public Advocate (OPA) and Efficiency Maine Trust (EMT) offer the following joint brief in this proceeding.

For the reasons described herein, the Public Utilities Commission (PUC or Commission) should deny the request of Central Maine Power Company (CMP) for a Certificate of Public Need and Convenience (CPCN) for its Section 80 Rebuild Project on the grounds that the request is premature and that CMP has failed to adequately demonstrate the asserted need. In its filing and subsequent updates, CMP has failed to document that the proposed capacity upgrade is necessary to meet the needs of the Midcoast region. With the litigation delay to the construction of the Nordic Aquafarm (NAF) facility, better data will be available to assure there is actual need for the Section 80 Rebuild before new load materializes. Implementing the project without quantifying the need using the most up-to-date information would result in a costly investment that is not responsive to actual conditions.

As further described below, CMP failed to incorporate the beneficial impacts of existing and known Distributed Energy Resources (DER) projects in its analysis of the Midcoast region. Further, CMP has not documented assumed power factor violations, has not documented asserted asset condition issues, and has not quantified and documented asserted beneficial electrification needs. Without accurate information to support these critical assumptions, CMP's "analysis" of need relies too heavily on speculation and not enough on fully documented data and analysis of such data for CMP to satisfy its burden in this proceeding.

At the February 9, 2022 Conference of Counsel, the Independent System Operator of New England (ISO-NE) represented that they had done a preliminary assessment of condition changes, which indicated a continued need for the rebuild. Undoubtedly, ISO-NE based this speedy assessment on the same inaccurate and faulty CMP data at issue in this docket. Until this chain of incomplete data and investment bias is broken, ratepayers will continue to pay for transmission line overbuilds.

The NonWires Alternative (NWA) analysis of CMP's Section 80 Rebuild Project demonstrated the changing nature of electricity use in the Midcoast region. One of the most important things to come out of the NWA process is the understanding that DERs must be considered in planning studies. The NWA solution does not "rely on future" DERs. The 21 approved Chapter 324 projects included in the NWA analysis meet agreed-upon interconnection milestones. The rapid growth of DER interconnections combined with changing customer demand affects the infrastructure needs of the region. These changes must be taken into account in planning for future transmission system development.

By shifting rationale and proposing to change planning standards during the review process, CMP muddies the analytical framework for the NWA investigation required by Maine's NWA Act.¹ While system needs are changing due to the introduction of DERs and the potential impact of beneficial electrification, such impacts must be quantified. It is not reasonable to implement a solution designed for an urgent need that no longer exists to solve the needs of the future.

¹ LD 1181 "An Act To Reduce Electricity Costs through NonWires Alternatives," (NWA Act).

II. **CMP SHIFTS RATIONALE AND ATTEMPTS TO CHANGE PLANNING STANDARDS TO DEFEAT THE PURPOSES OF THE NWA ACT.**

In its Section 80 CPCN petition, CMP alleged that the additional load from NAF required a system upgrade to manage summer peaking conditions, which could increase due to NAFs operating profile.² CMP further stated that the need to complete the rebuild of Section 80 was urgent to support a NAF in-service date in April, 2021. After the legislatively mandated NWA analysis, the NWA Coordinator determined that adding operating DER projects and those that have met objective licensing milestones³ into the power flow model makes the rebuild unnecessary to serve conventionally-forecast loads in advance of the NAF load.⁴ In addition, the April 2021 NAF in-service date now has passed; the need for the system to serve this additional load is well into the future and would be addressed by the NWA recommendation.

CMP then raised a concern that the asset condition of Section 80 required a rebuild. In CMP's revenue requirement workbooks, supplied for the Benefit Cost Analysis (BCA), CMP uses 36 years to depreciate a transmission line rebuild.⁵ CMP has not filed an asset condition report in this docket. Other than the newly filed CMP Comments of January 21, 2022, there is no filed asset condition information to support the need for a rebuild on this basis.

² *Central Maine Power Company*, Request for Approval of NonTransmission Alternative (NTA) Pilot Projects for the Mid-Coast and Portland Areas, Docket No. 2011-00138, Letter re Section 80 (January 21, 2020) at 3.

³ EXM-002-005.

⁴ Maine Non-Wires Alternative Coordinator Report: Central Maine Power Midcoast Section 80 Non-Wires Analysis Report, Docket No. 2011-00138 (November 1, 2021).

⁵ In CMP's revenue requirement workbook, supplied for the BCA analysis, CMP uses 36 years to depreciate a transmission line rebuild. When doing the benefit-cost analysis the NWA Coordinator uses the 36 years in assessing the cost of the Section 80 rebuild compared to the cost of the NWA option.

In a November 15, 2021 technical conference, CMP raised the concern that the Section 80 area could become a winter peaking system, due to increased load from beneficial electrification.⁶ The NWA Coordinator responded to this concern by meeting with ISO-NE and CMP to determine winter ratings for photovoltaic (PV) DER. The NWA Coordinator adopted the ISO-NE's newly developed PV operating profiles, which include winter ratings as well as summer and shoulder peaking data.⁷ The NWA Coordinator ran the system models with these new ratings addressing CMP's concerns regarding a potential future winter peak. The NWA Option 3 proposal incorporates these concerns, allowing time for future analysis to quantify this potential new peak.

CMP then raised the potential that policies supporting beneficial electrification will also increase load, adding to a potential winter peaking system.⁸ CMP asserts that the ISO-NE relies on historic summer peaking data profiles. The possibility of a winter peak exists, but CMP has failed to document its basis for this conclusion, when it would occur, or the size of such a peak if it does occur. Where this is a legitimate area of inquiry deserving further investigation, at this point it is entirely unquantified.⁹ Currently there is no reliable forecast of the impact of beneficial electrification on the Midcoast region. The NWA

⁶ Central Maine Power Company's Response to the Office of the Public Advocate's November 1, 2021 Non-Wires Alternative Report, (January 21, 2022) at 30.

⁷ Maine Non-Wires Alternative Coordinator Report: Central Maine Power Midcoast Section 80 Non-Wires Analysis Report, Docket No. 2011-00138 (November 1, 2021) at 23 ("Per ISO-NE suggestions, solar PV projects will be assumed to be dispatched at 10%, 26% and 40%. DNV focused the analysis and design of NWA Option 3 on the 10% DER dispatch scenario while evaluating NWA Option 3 under all scenarios.")

⁸ Central Maine Power Company's Response to the Office of the Public Advocate's November 1, 2021 Non-Wires Alternative Report, (January 21, 2022) at 3.

⁹ Eric Johnson, ISO-NE presentation, Legislative hearing (January 11, 2022)

<https://www.youtube.com/watch?v=trRDVZK1tVw> The ISO-NE presentation begins at the 2:54:00 mark. The ISO is conducting studies to assess system impacts based on state policies for increasing electric heat and electric automobiles.

recommendation does not ignore this concern, but rather proposes the continued review of evolving fact-based projections to address these concerns in the most reliable and cost-effective manner.

Finally, CMP raised concerns about subtransmission system impacts. For example, CMP alleges concerns of “serious voltage collapse.”¹⁰ However, CMP has failed to validate the model data which led to this concern. A deeper review of the data shows existing low power factors on the distribution system. Specifically, of the 25 load values (excluding “New Load”) shown in the NonWires Alternative Report in Table 2, 14 of these have power factors lower than 0.97.¹¹ According to the Electric Power Engineers report in Docket 2021-00039, each of these constitutes a power factor violation, and such power factors should be corrected in distribution.¹² These low power factors may not really exist. SCADA data is needed to quantify accurately the true situation. Modeling these low power factors, whether real or a result of inaccurate data, contributes to findings of voltage violations and indications of voltage collapse. A properly documented system investigation will resolve these data questions. To date, no such investigation has been undertaken by CMP.

DNV recommends NWA Option 3 as an interim, flexible solution which meets near term reliability needs, including needs associated with the NAF load as it comes online. The influx of DERs coming online are projected to alleviate the future need for additional

¹⁰ Central Maine Power Company’s Response to the Office of the Public Advocate’s November 1, 2021 Non-Wires Alternative Report, (January 21, 2022) at 15.

¹¹ Maine Non-Wires Alternative Coordinator Report: Central Maine Power Midcoast Section 80 Non-Wires Analysis Report, Docket No. 2011-00138 (November 1, 2021) at 9.

¹² *Public Utilities Commission*, Investigation of the Design and Operation of Maine’s Electric Distribution System, Examination of Current Practices at Central Maine Power, Attachment B (December 1, 2021 at 20.(“Power factor violations occur when the total PF for a circuit, is less than 0.97 at the substation during peak conditions”).

investment to meet updated new load requirements. If it is later determined that Section 80 needs to be rebuilt as a long-term solution, the equipment purchased for NWA Option 3 can be redeployed elsewhere to avoid this equipment becoming underutilized after purchase.¹³

Transmission and NWA solutions should not have to accommodate either incomplete data or a poorly maintained system due to lack of prior investment. Rather, complete and accurate data must be developed and reflected in modeling assumptions. The NWA analysis can include evaluating the system under local planning criteria as long as the planning criteria are clear, and the data are accurate.

Before making the commitment to a significant ratepayer investment, an updated, thorough and accurate Midcoast region analysis should take place. Here, CMP has committed to the Section 80 Rebuild first and seeks to bolster that commitment with later manufactured rationales, unsupported by actual data or accurate analyses.

III. BENEFIT COST ANALYSIS

A. Benefit Cost Analysis Overview

The NWA Act requires a Benefit Cost Analysis of the wires project and the NWA Alternative. The statute states:

2. Investigation methods; benefit-cost analysis. An investigation under subsection 1 must set forth the total projected costs and annual carrying costs of the wires project and the NonWires alternatives over the effective life of the wires project. The investigation must include a benefit-cost analysis that evaluates the cost-effectiveness of NonWires alternatives as compared to the wires project, under which:
 - A. Benefits and costs are measured in net present value;
 - B. Benefits reflect total, quantifiable avoided costs and are calculated from the perspective of the investor-owned transmission and distribution utility and ratepayers, including any deferral value; and

¹³

C. Costs are calculated from the perspective of the investor-owned transmission and distribution utility. For a NonWires alternative, costs include the utility's cost of any contracts required to deliver the NonWires alternative but do not include any ratepayer contributions to the cost of the NonWires alternative.¹⁴

The statute does not identify each specific component to be weighed in the BCA.

DNV follows standard industry practice in identifying the costs and quantifying the benefits of an NWA.¹⁵ To be consistent with similar analyses in Maine, the NWA Option 3 BCA incorporates EMT's methodologies and assumptions used in its Triennial Plan.¹⁶ This includes use of the utility's post-tax WACC for transmission or distribution infrastructure, depending on the asset's designation. The post WACC is then used to calculate the NPV of each of the in front of the meter benefit and cost categories. The NWA Coordinator chose this methodology because it is used by EMT. Where the NWA Act mandates coordination with EMT,¹⁷ maintaining consistency between NonWires Alternative analyses and EMT standards is one of the ways to implement the statute. The EMT discount rate is used to calculate the NPV of each component, for the same reason of consistency. Then, the total NPV benefit amounts and the total NPV cost amounts are summed separately, prior to the calculation of the project's Benefit Cost Ratio (BCR).¹⁸

B. Costs included in the Section 80 NWA Option 3 Benefit Cost Analysis

The costs of the Section 80 NWA analysis include the equipment and construction costs of infrastructure components identified in the Final NWA Report; new operations

¹⁴ 35-A M.R.S. § 3132-C.

¹⁵ Maine Non-Wires Alternative Coordinator Report, (April 13, 2021) at 18.

¹⁶ *Id.* at 19-20.

¹⁷ 35-A M.R.S § 3132-C (1).

¹⁸ Maine Non-Wires Alternative Coordinator Report: Central Maine Power Midcoast Section 80 Non-Wires Analysis Report, Docket No. 2011-00138 (November 1, 2021) at 18-20.

technology; costs for demand reduction; and rental costs for standby mobile diesel generators used as a backup, if needed.¹⁹

C. Benefits included in the Section 80 NWA Option 3 BCA

The benefits of the Section 80 NWA analysis include avoided transmission and distribution capacity infrastructure costs for the proposed Section 80 Rebuild Project. These figures were provided by CMP based on a full rebuild.

D. Benefit Cost Ratio Calculation for the Section 80 NWA Option 3

As required by statute, all benefits and costs are measured in Net Present Values (NPV) to calculate the BCR. Where appropriate, carrying cost are broken out yearly and used to create the NPV of the total cost. The BCA considers the total revenue requirement of each in front of the meter project component based on the component's in-service date, asset class, and utility-specific financial and accounting assumptions.²⁰ The Section 80 BCA tool calculates the annual revenue requirements over the lifetime of the project for each component (benefit and cost) prior to calculating the NPV of benefits and costs. CMP provided the annual revenue requirements calculation methodology for Section 80. The BCA conducted for Section 80 is based on replacing a complete rebuild of Section 80 as proposed by CMP. The BCA assumes maintenance of Section 80 is built into the avoided operational expenditures of the proposed rebuild. The BCA assumes an entire rebuild, not any partial rebuild/maintenance scenario. Because the rebuild is avoided completely under all evaluated

¹⁹ *Id.*

²⁰ *Id.*

NWA options, the associated deferral value is equivalent to the avoided cost of transmission and distribution infrastructure.²¹

E. The Benefit Cost Analysis Does Not Include a Utility's Sunk Costs

The Law Court's interpretation of the 35-A M.R.S. § 3132-C statute identifies the wires and NWA costs as "projected" or forward looking.²² Costs spent by the utility before project approval, known as sunk costs, are not part of the forward- looking BCA analysis for NWAs. Specifically, DNV does not include as an NWA cost the Section 80 sunk utility costs, such as engineering and real estate costs that CMP incurred in planning its wires rebuild prior to Commission project review. These costs cannot be changed and will remain in place under any future scenario, wires or non-wires, and thus have not been included as costs in either scenario.

The BCA is not the same as a prudence review for rate recovery. While the Commission may find some utility sunk costs to have been incurred prudently and subject to rate recovery, it does not follow automatically that such costs are attributable to the costs of the NWA. Adding sunk utility costs to the NWA cost side of a BCA would create a counterproductive incentive for the utility to increase sunk costs for a wires project option, for the sole purpose of making the NWA option too expensive in comparison. Such a counterproductive incentive to increase costs is directly against the intent of the NWA Act,

²¹ *Id.*

²² [NextEra Energy Res., LLC v. Me. PUC, 2020 ME 34, P18, 227 A.3d 1117, 1123, 2020 Me. LEXIS 35, *8-9](#) ("The plain language of section 3132(2-C) mandates a comparison of the transmission line's total projected costs with the total projected costs of the alternatives. 35-A M.R.S. § 3132(2-C)(C) (2016), *repealed by* P.L. 2017, ch. 201, § 3 (effective Nov. 1, 2017). Additionally, 35-A M.R.S. § 3132(6) requires an analysis to explore less costly alternatives to the proposed transmission line.")

and should not be incorporated into the BCA. The OPA could find no other jurisdiction that includes a utility's sunk costs into the forward-looking BCA analysis.

Benefits and costs are calculated for the assumed useful life of the Section 80 wires option as proposed by CMP, which the NWA Coordinator assumed to be 36 years.²³ The entire cost of the Section 80 Rebuild is \$63.6 million.²⁴ The Section 80 Rebuild avoided costs are updated to reflect CMP's 8 to 9% load share of regional costs based on cost-sharing requirements for ISO-NE. Results of the NWA Option 3 analysis are summarized as follows: Total Benefit \$ 7,162,402; Total Cost (Maine ratepayer contribution) \$ 7,090,534 Benefit-Cost Ratio 1.01.²⁵ The proposed NWA Option 3 has a year-one initial investment of only \$2.25 million. Additional lifetime costs bring the lifetime cost to \$7.1million.²⁶

IV. THE COMMISSION GIVES PREFERENCE TO COST EFFECTIVE NONTRANSMISSION ALTERNATIVES IN ITS SECTION 80 NWA PROJECT REVIEW UNDER 35-A M.R.S. § 3132-A(2).

35-A M.R.S. § 3132-A(2) states:

In order for a transmission project to be approved, the commission must consider whether the identified need over the effective life of the proposed transmission project can be reliably and more cost-effectively met using nontransmission alternatives. In its review and consideration of nontransmission alternatives, as required by subsection 1 A, the commission shall give preference to nontransmission alternatives that have been identified as able to address the identified need for the proposed transmission project most cost-effectively. When the cost-effectiveness of the identified nontransmission alternatives are reasonably equal, the commission shall give preference to the alternatives that produce the lowest amount of local air emissions, including greenhouse gas emissions.

²³ The 36 years is the book value of the Section 80 rebuild. In CMP's revenue requirement workbook, supplied for the BCA analysis, CMP uses 36 years to depreciate a transmission line rebuild. When doing the benefit-cost analysis the NWA Coordinator uses the 36 years in assessing the cost of the Section 80 rebuild compared to the cost of the NWA option.

²⁴ *Central Maine Power Company*, Request for Approval of NonTransmission Alternative (NTA) Pilot Projects for the Mid-Coast and Portland Areas, Docket No. 2011-00138, Letter re Section 80 (January 21, 2020) at 2.

²⁵ *Id.* at 17.

²⁶ *Id.* at 2.

While CMP alleges the possibility of future needs for the Midcoast area,²⁷ these concerns should not drive the Commission to overinvest in a project which is not needed to meet known system operations. While the relevant data is collected to properly plan for the changing reliability needs of the Midcoast area, NWA Option 3 is the reasonable, timely and cost-effective alternative.

V. APPLICATION OF THE NWA ACT REQUIREMENTS DEMONSTRATES THERE IS NO NEED FOR AN UPGRADE TO THE CAPACITY OF SECTION 80.

A. The NWA Act Requires Both Commission Assessment of Public Need for the Section 80 Rebuild and Commission Assessment of Cost-Effective NWA Options.

As a transmission project, Section 80 requires both Commission assessment of public need for the Section 80 Rebuild Project²⁸ and Commission assessment of cost-effective NWA options.²⁹ CMP's initial petition for a CPCN asserted that the Section 80 Rebuild Project as a necessary reliability upgrade because of voltage concerns during summer peak conditions, due to the interconnection request of a new industrial customer.³⁰ With its January 21, 2022 Response to the OPA's November 1, 2021 Non-Wires Alternative Report, CMP changed its rationale, alleging instead subtransmission contingencies and winter peak

²⁷ Central Maine Power Company's Response to the Office of the Public Advocate's November 1, 2021 Non-Wires Alternative Report, (January 21, 2022) at 7.

²⁸ 35-A M.R.S. §3132- A (1).("Submission requirement. A person that proposes to undertake in the State a transmission project must provide the commission with a description of the need for the proposed transmission project.")

²⁹ 35-A M.R.S. §3132-A. "Construction of transmission projects prohibited without approval of the commission. A person may not construct any transmission project without approval from the commission. For the purposes of this section, "transmission project" means any proposed transmission line and its associated infrastructure capable of operating at less than 69 kilovolts and projected to cost in excess of \$5,000,000." See Appendix A for a summary of NWA Act requirements.

³⁰ Central Maine Power Company, Letter re Section 80 (January 21, 2020) at 3.

loading conditions.³¹ The shifting rationale undermines the original documented need for the Section 80 Rebuild to provide voltage support during summer peak conditions. CMP has yet to document and demonstrate a need for the Section 80 Rebuild to respond to potential unquantified increases in load during the winter. While the ISO-NE's quick data review over the last two weeks echoes CMP's desire for transmission investment, there is no record of what data ISO-NE reviewed. Without a thorough analysis incorporating accurate data, ratepayers are no better off with the ISO-NE's rationalizations than with CMP's.

After CMP raised concerns about potential winter peaking conditions and subtransmission impact, the NWA Coordinator incorporated ISO-NE winter solar standards into the analysis and reviewed the potential for subtransmission impacts in the updated NWA report.³² NWA Option 3 responds to the concerns generally expressed by CMP in various meetings. Specifically, the NWA Coordinator states:

CMP evaluated the impacts to the sub-transmission system in the Section 80 area and found that once the load from Nordic Aquafarms comes online, NWA Option 3 would result in the overloading of Sections 4 and 24 during certain contingency events. DNV found that to avoid upgrading these lines to accommodate NWA Option 3, an additional 8 MW of resources beyond those identified under NWA Option 3 would be required to mitigate the impacts to these sections. DNV expects that the additional 233 MWs of DERs in ISO-NE and CMP's interconnection queues will be operational in advance of Nordic Aquafarms operation and will thus eliminate the need to procure additional NWA resources. At 10% dispatch, there will be enough resources by 2027 to avoid a rebuild of Sections 80, 4 and 24 or the procurement of additional NWA resources or extension of the proposed BTM resources for NWA Option 3.³³

³¹ Central Maine Power Company's Response to the Office of the Public Advocate's November 1, 2021 Non-Wires Alternative Report, (January 21, 2022) at 3.

³² Maine Non-Wires Alternative Coordinator Report: Central Maine Power Midcoast Section 80 Non-Wires Analysis Report, Docket No. 2011-00138 (November 1, 2021) at 23 ("Per ISO-NE suggestions, solar PV projects will be assumed to be dispatched at 10%, 26% and 40%. DNV focused the analysis and design of NWA Option 3 on the 10% DER dispatch scenario while evaluating NWA Option 3 under all scenarios.")

³³ *Id.* at 24.

The Law Court interpreted the “public need” standard in *NextEra Energy Res., LLC v.*

Me. PUC, defining “public need” as follows:

Although section 3132(6) does not define "public need," it does at least provide factors for the Commission to consider to determine public need:

In determining public need, the commission shall, at a minimum, take into account economics, reliability, public health and safety, scenic, historic and recreational values, state renewable energy generation goals, the proximity of the proposed transmission line to inhabited dwellings and alternatives to construction of the transmission line, including energy conservation, distributed generation or load management.

Furthermore, the Commission rules do define "public need." Chapter 330 of those rules establishes filing requirements pursuant to section 3132, and section 9(A) of Chapter 330 sets forth the standards for granting a CPCN, directing the Commission to make specific findings with regard to the need for the proposed transmission line in accordance with 3132(6). 65-407 C.M.R. ch. 330, § 9(A). Section 9(B) of Chapter 330 is titled "Public Need Defined." It states:

The Commission establishes public need by determining that ratepayers will benefit by the proposed transmission line. Benefits are determined based upon the electrical need for the line, taking into account [the section 3132(6) factors]³⁴

At a minimum, CMP has not demonstrated an immediate need for the Section 80 Rebuild. The most recent Maine Needs Assessment analyses relies on data from ISO-NE’s draft 2019 Capacity, Energy, Loads and Transmission (CELT) Report.³⁵ Since ISO-NE issued its draft 2019 CELT Report, there have been changes in conditions, subject to further review, which may warrant an update to the identified system needs that the Section 80 Rebuild Project addresses. These conditions include:

- 1) Rapid increases in Midcoast area Distributed Energy Resources (DER), including the Commission awarded contracts for a combined 106 MW of new capacity;

³⁴ *NextEra Energy Res., LLC v. Me. PUC*, 2020 ME 34, ¶¶22-24, 227 A.3d 1117, 1123-1124, 2020 Me. LEXIS 35, *10-12

³⁵ See ISO-NE Final Upper Maine 2029 Solutions Study, filed in this docket by CMP (August 25, 2021.)

- 2) Changing summer peak data due to greater photovoltaic (PV) adoption;
- 3) A new annual CELT Report incorporating updated forecasts.

Taken together, along with the litigation delay to the construction of the NAF facility, these show that better data will be available to assure there is actual need for the Section 80 Rebuild before new load materializes.

Incorporating the reliability enhancements of NWA solution Option 3 is the most cost effective option, as well as the option supporting “economics, reliability, public health and safety, scenic, historic and recreational values, state renewable energy generation goals, the proximity of the proposed transmission line to inhabited dwellings and alternatives to construction of the transmission line, including energy conservation, distributed generation or load management.”³⁶ The NWA Option 3 meets all these criteria.

It is not clear whether CMP assessed replacing individual components versus a rebuild of the entire line when initially proposing the Section 80 Rebuild Project or whether a complete rebuild was ever needed to support load growth. Should the new industrial load not materialize as projected, the justification for the rebuild will have disappeared. The proposed NWA Option 3 stabilizes the Midcoast area while undertaking the necessary reassessment to accommodate changing conditions. The NWA Coordinator:

...recommends NWA Option 3 as the preferred hybrid NWA solution. The modest system changes and resource additions in NWA Option 3 fully address the loading of Section 80 under contingency conditions with Nordic Aquafarms at the load levels modelled by ISO-NE and CMP. The Midcoast Area has seen significant additions of local generation in the recent past and actual projects in CMP and ISO-NE’s interconnection queues suggest this will continue. DER resources will affect Midcoast

³⁶*NextEra Energy Res., LLC v. Me. PUC*, 2020 ME 34, ¶¶22-24, 227 A.3d 1117, 1123-1124, 2020 Me. LEXIS 35, *10-12

system needs on an ongoing basis. The load carrying capability of the proposed Section 80 Rebuild exceeds the identified needs of the area while the NWA Option 3 is designed to meet these needs at a lower overall cost.³⁷

B. The Purpose of the NWA Statute is to Lower Electric Rates

The stated purpose of the NWA Act is to lower rates for consumers. The Commission need go no further than the title of the 2019 NWA Act to appreciate that its purpose is not to promote specific industries, products or specific technical solutions. It is: “An Act To Reduce Electricity Costs through NonWires Alternatives.”

On August 1, 2021, transmission rates for CMP customers increased.³⁸ The OPA, the Commission, and other parties learned for the first time on June 23, 2021 that as a result of the annual formula transmission rate change, CMP’s transmission rates would increase by approximately \$70 million.³⁹ This follows a pattern of steadily increasing transmission rates. Recognizing the importance to ratepayers of finding cost savings, through the NWA Act and other initiatives, the Legislature now mandates that utilities update their planning methods and consider alternative ways to meet reliability mandates cost-effectively. NWA Option 3 meets this legislative directive to save costs by implementing incremental reliability upgrades while data is developed incorporating the changing uses of the electric grid and resource availability. As stated in the remarks of GridSolar:

We should use the next couple of years to undertake such modeling [beneficial electrification and distributed solar generation] for the Midcoast to ensure that any

³⁷ Maine Non-Wires Alternative Coordinator Report: Central Maine Power Midcoast Section 80 Non-Wires Analysis Report, (November 1, 2021) at 11.

³⁸ Maine Public Utilities Commission Delays A Portion of Storm Cost Recovery in CMP Rates Due to Increase in Transmission Rates <https://www.maine.gov/tools/whatsnew/index.php?topic=puc-pressreleases&id=5178180&v=article08> (July 14, 2021).

³⁹ *Central Maine Power Company* Re: Request For Approval of Annual Compliance Filing, Docket No. 2021-00036, Comments of The Office of the Public Advocate (June 28, 2021) at 1.

investments in the electric grid support Maine's broader efforts to meet its climate goals.⁴⁰

VI. CONCLUSION

Under 35-A M.R.S. §3132 (6), the Commission must make findings regarding the public need for a project before issuing a CPCN.⁴¹ The Commission should reject CMP's Section 80 Rebuild request because CMP has failed to demonstrate the need. Given CMP's conflicting rationales and incomplete data analysis for the Section 80 Rebuild Project, before committing ratepayer funds, the best way forward is to deny CMP's petition in this proceeding, and allow it to refile once it has completed the additional data collection and updated analysis of the changing needs of the Midcoast region necessary to support such a request. It is expected that ISO-NE will conduct a new Needs Assessment later in 2022, as a regular part of their planning functions. This assessment would re-examine Maine under new assumptions developed through the Transmission Planning for the Clean Energy Transition project and determine the need for additional upgrades that might be necessary under those new assumptions. This regularly conducted assessment incorporates the latest load, energy efficiency, and behind-the-meter solar forecasts included in the 2022 CELT Report.

The OPA and the NWA Coordinator cannot support CMP's Section 80 Rebuild solution which exceeds planning criteria, leading to potentially overbuilding a solution for future system conditions that are unquantified and that may not materialize. Such overbuilds can lead to ratepayers overpaying for a solution when a more cost-effective NWA option is available.

⁴⁰ GridSolar Comments (January 19, 2022) at 6.

⁴¹ 35-A M.R.S. §3132 (6)

The NWA Coordinator constructed a solution that directly adheres to the NWA Act. Option 3 provides a lower cost NWA option that meets identified, objective planning criteria, stabilizing the Midcoast region while the changing needs of the electric grid are quantified. NWAs allow for incremental, modular increases to system capacity where and when it is needed. CMP's solution to rebuild Section 80 exceeds these criteria. When assessing proposed alternatives, NWAs must meet the performance equal to the identified planning criteria established for all transmission or distribution-level projects, not exceed it. Ratepayers cannot afford to overbuild the transmission and distribution system.

The Commission Hearings Examiners recently found that:

Purposefully overbuilding may accelerate the timing of interconnection of some projects, but it does so at an inappropriate cost to ratepayers. To the extent that these investments relate to beneficial electrification, such as expanded installation of heat pumps or electric vehicles, there is no reason to deviate from traditional planning procedures and treat such installations like any other source of load growth on individual circuits.⁴²

While system needs are changing due to the introduction of DERs and the potential impact of beneficial electrification, such impacts must be quantified. It is not reasonable to implement a solution designed for a need that no longer exists to solve the needs of the future.

⁴² *Maine Renewable Energy Association And Coalition For Community Solar Access*, Request for Commission Investigation into Interconnection Practices Pertaining to Central Maine Power Company, Docket No. 2021-00035, Bench Memorandum (September 21, 2021) at 18.

Respectfully submitted this 18th day of February 2022,

For the Office of the Public Advocate

/s/ Andrew Landry

Andrew Landry
Deputy Public Advocate

/s/ Susan W. Chamberlin

Susan W. Chamberlin
Senior Counsel

/s/ Kristina R. Winther

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/s/ Ian G. Burnes

Ian G. Burnes
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