

September 8, 2010

MAINE PUBLIC UTILITIES COMMISSION
Investigation Into Need for Smart Grid
Coordinator and Smart Grid Coordinator
Standards

NOTICE OF INVESTIGATION

CASHMAN, Chairman; VAFIADES, Commissioner

I. SUMMARY

By way of this Notice, we initiate an investigation to determine whether it is in the public interest to have one or more smart grid coordinators in the State. If, as a result of this investigation, the Commission finds that it is in the public interest to have a smart grid coordinator, the Commission will consider standards regarding the smart grid coordinator, including: the eligibility, qualification and selection criteria for the smart grid coordinator; the duties and functions of the smart grid coordinator; and the relationship between the smart grid coordinator and the transmission and distribution utility, as well as what steps the Commission should take to ensure that grid safety, reliability and security standards are met.

II. DESCRIPTION OF INVESTIGATION

On March 23, 2010, An Act to Create a Smart Grid Policy in the State, was signed by Governor Baldacci and took effect on that date on an emergency basis.¹ As part of the Smart Grid Policy Act, the Legislature stated that in order to improve the overall reliability and efficiency of the electric system and better manage energy consumption and reduce greenhouse gas emissions, it is the policy of the state to promote the development, implementation, availability and use of smart grid functions. 35-A M.R.S.A. § 3143(3). The Smart Grid Policy Act also provides that upon petition, the Commission shall open an adjudicatory proceeding to determine if it is in the public interest of the State to have one or more smart grid coordinators.² If, in such adjudicatory proceeding, the Commission finds it is in the public interest to have a smart grid coordinator, the Commission may adopt, by rule or as part of the adjudicatory proceeding, standards regarding the smart grid coordinator. Such standards may include, but are not limited to:

¹ P.L. Ch.539, 2010

² Smart Grid Coordinator is defined as an entity, authorized by the Commission, in accordance with 35-A M.R.S.A. § 3143(5), that manages access to smart grid functions and associated infrastructure, technology and applications within the service territory of a transmission and distribution utility. 35-A M.R.S.A. § 3143(1).

1. Eligibility, qualification and selection criteria;
2. Duties and functions;
3. The application or exemption from any provisions of this Title otherwise applicable to public utilities;
4. The relationship between a smart grid coordinator and a transmission and distribution (T&D) utility;
5. Access to information held by the smart grid coordinator by 2nd and 3rd parties; and
6. Data collection and reporting.

On June 10, 2010, the Commission issued an Order Approving Stipulation which approved essentially all elements of Central Maine Power Company's (CMP's) Maine Power Reliability Project (MPRP) but excluded approval for CMP's proposed Mid-Coast Spur. *Central Maine Power Company and Public Service Company of New Hampshire, Request for Certificate of Public Convenience and Necessity for the Maine Power Reliability Program Consisting of Approximately 350 Miles of 345 kV and 115 kV Transmission Lines (MPRP)*, Docket No. 2008-255, Order Approving Stipulation (June 10, 2010). Instead, the Stipulation approved by the Commission provides that the needs in the Mid-Coast area will be further evaluated as part of a non-transmission alternative (NTA) pilot project which will be filed by GridSolar, an intervenor in that case, and CMP within six months of the date of the Order as a component of a Pilot Plan to be developed by the two companies. The Pilot Plan will also include a Portland Pilot Project which will be developed to address reliability needs in the Portland area with a non-transmission alternative. In addition to these two NTA pilot projects, the Pilot Plan will also include a Smart Grid Platform (SGP) proposal which will address: (1) the design, installation, ownership, cost, cost recovery and operation of the SGP; (2) access to the SGP by others; and (3) education of ratepayers on the opportunities presented by the Smart Grid. The Pilot Plan will recommend that GridSolar be designated to serve as the Smart Grid Energy Services Operator (SGESO) within CMP's service territory. The Pilot Plan will be submitted to the Commission for approval and processed in accordance with the provisions of the Smart Grid Policy Act.

In approving the Stipulation, the Commission concluded that it was satisfied, based on the representations of the stipulating parties at the hearing on the Stipulation, that although the parties to the Stipulation through their agreement endorse GridSolar as both the smart grid coordinator and as the coordinator of the NTA pilot programs in the Mid-Coast and Portland areas, the Commission was in no way bound by this agreement by approval of the Stipulation. To ensure that the Commission would have adequate time to analyze the smart grid issues which the Legislature has directed the Commission to address, and also to be in a position to implement any Smart Grid or

NTA pilot programs which are found to be appropriate in an expeditious fashion, the Commission stated it would treat the Stipulation as a request to open an adjudicatory proceeding to address the threshold question of whether it is in the public interest to have one or more smart grid coordinators in the State to achieve the policy objectives set forth in the Smart Grid Policy Act.

By this Notice we initiate the investigation contemplated in our Order Approving Stipulation in Docket No. 2008-255. In addressing the threshold question noted above, the investigation will be used to first define (1) the technologies, systems and function(s) considered to be "smart grid" and (2) the potential role of a smart grid coordinator in furthering the reliability, efficiency and environmental policies embodied in the Smart Grid Policy Act. We will also examine the feasibility of implementing and operating the smart grid to achieve these policies, including how coordination with ISO-NE and T&D utilities would be managed. Finally, we will analyze the associated costs and benefits to ratepayers, and consider whether it is in the public interest to have one or more smart grid coordinator for the State.

Should we find that it is in the public interest to retain one or more smart grid coordinators, the Commission will then address the standards regarding the smart grid coordinator, including, but not limited to:

1. Eligibility, qualification and selection criteria;
2. Duties and functions;
3. The application or exemption from any provisions of this Title otherwise applicable to public utilities;
4. The relationship between a smart grid coordinator and a transmission and distribution utility;
5. Access to information held by the smart grid coordinator by 2nd and 3rd parties;
6. Data collection and reporting; and
7. What steps should the Commission take to ensure that applicable regional, national, and international grid safety, security and reliability standards are met.

As we noted in our Order Approving Stipulation in Docket No. 2008-255, the process or processes the Commission will utilize to determine whether the selection of a smart grid coordinator is in the public interest, the standards for selection of a smart grid coordinator, as well as the selection of an entity to be the smart grid coordinator or to conduct any NTA Pilot Projects, will be open and transparent and will allow for the participation of all stakeholders, including all potential smart grid or NTA providers.

Attachment
Notice of Investigation

Docket No. 2010-267
Interested Persons to be Provided Copy of
Smart Grid NOI

Maine Math and Science Alliance (Jan Mokros)
Maine Department of Labor (John Dorrer)
Maine Department of Environmental Protection (Jim Brooks)
Efficiency Maine (Michael Stoddard)
Thermal Energy Storage of Maine (Kim Kenway)
University of Maine, Maine Smart Grid Center (Dr. Mohamad Musavi)
Brunswick Landing (former Naval Air Station) (Tom Brubaker)