

**STATE OF MAINE
PUBLIC UTILITIES COMMISSION**

Commission Initiated Rulemaking
Amendments To Electric Transmission
And Distribution Utility Service
Standards Chapter 320

Docket No. 2022-00052

**Acadia Center Comments on Proposed
Amendments to Electric Transmission and
Distribution Utility Service Standards (Chapter
320)**

March 31, 2022

On March 3, 2022, the Maine Public Utilities Commission (Commission) initiated a rulemaking proceeding to consider proposed amendments to the Commission’s Electric Transmission and Distribution Utility Service Standards Rule (Chapter 320). Acadia Center appreciates the opportunity to submit written comments on the proposed rule amendments.

The Commission proposes a new metric for Major Outage Response, as well as new performance categories and metrics related to Customer Service, Billing Performance, Customer Satisfaction. The Commission also proposes important updates to reporting requirements for utilities. The proposed amendments to Chapter 320 are an improvement over the performance metrics that exist today but are also a missed opportunity to accelerate improvements in utility performance.

I. Collecting data and tracking performance is necessary, but moving towards meaningful financial incentives and penalties will be key for motivating performance improvements.

In its Notice of Rulemaking, the Commission stated “that this rulemaking will not address the issue of financial penalties regarding a failure to satisfy a stated metric. The Commission will consider this matter [in] a separate proceeding after sufficient data can be collected and analyzed.” Acadia Center agrees that robust performance data must be collected before establishing financial incentives and/or penalties. Robust data helps to ensure that

benchmarks, incentives, and penalties are all appropriately sized and drive meaningful performance improvements without perverse incentives that incentivize activities that may have occurred regardless of a financial reward. Acadia Center urges the Commission to move quickly towards meaningful financial incentives and penalties where appropriate after collecting performance data.

II. The Commission should include other critical performance categories.

The Commission has declined to propose performance metrics related to Affordability and Cost Control, Distributed Energy Resource Interconnection and Deployment, Grid Modernization and Technologies, and Energy and Environmental Policies. In its June 18, 2021 Procedural Order in Docket No. 2020-00344, the Commission noted that “at this point development of specific metrics and benchmarks [for the categories listed above] is premature.” While identifying specific performance benchmarks and targets for some performance categories may be premature without further investigation, Acadia Center believes that there is nevertheless value in establishing metrics and, at a minimum, beginning the process of tracking and collecting performance data. The initial step of collecting performance data can help to inform future decisions related to benchmarks, incentives, and penalties. Moreover, even without specific benchmarks, incentives, or penalties, simply reporting on utility performance in a public way can motivate utility behavior change because it explicitly reveals data that may not have been available previously, and because it allows for comparison across utilities.

In terms of affordability, potential performance categories that could be tracked include average total bills; average customer bill as a percentage of household income; and the number of hours of work necessary for a household earning minimum wage to pay for essential utility service charges. There is a wide range of other performance metrics related to DER

interconnection, grid modernization, and energy and environmental policies that the Commission could track to collect data as a first step.¹

Public Law 2021, Chapter 279, An Act To Require Consideration of Climate Impacts by the Public Utilities Commission and To Incorporate Equity Considerations in Decision Making by State Agencies, signed into law in 2021, requires the Commission to consider greenhouse gas emissions in its decision-making. Establishing categories of performance and initiating the process of collecting data are no-risk actions that Acadia Center urges the Commission to take.

III. The Commission should establish a formal process for regular review of utility performance and consider a process to make performance benchmarks more stringent over time.

Establishing clear benchmarks for utility performance is a critical piece of efforts to improve utility performance. Acadia Center recommends that the Commission establish a process to regularly review utility performance and to make performance benchmarks increasingly more stringent over time as utilities gain more experience tracking data and identifying opportunities to improve performance. Performance report cards are a key tool for collecting baseline data that can then inform stronger benchmarks and future incentives and/or penalties. Acadia Center urges the Commission to build in flexibility over time to allow for learning and fine-tuning, as well as processes for meaningful stakeholder participation.

IV. The Commission should establish the form and content of the Customer Report Cards.

The Commission should be the one to establish the form and content for the Customer Report Cards, rather than the transmission and distribution utilities themselves. Ideally, the Commission would also seek input from stakeholders. The report cards should be consistent both

¹ For more information and other examples, see Conservation Law Foundation's Testimony before the Committee on Energy, Utilities and Technology, Re: LD 1959 – An Act to Ensure Transmission and Distribution Utility Accountability, February 22, 2022.

across utilities and from year to year to enable meaningful comparisons. This will be possible only if the Commission itself designs the report cards.

V. The Commission should initiate a more comprehensive assessment of Performance-Based Regulation.

While the Commission’s proposed performance metrics are an important step in the right direction, Acadia Center strongly recommends that the Commission open a broader proceeding related to Performance-Based Regulation (PBR). Performance metrics and incentives are one tool that regulators can use to improve utility performance, but there are many other policy mechanisms available as well. Maine’s ratepayers would be well-served by a more comprehensive investigation of PBR and the benefits that PBR can provide. As one of several examples around the country, Connecticut’s Public Utilities Regulatory Authority (PURA) has recently opened a proceeding on PBR that will consider a broad spectrum of performance categories and regulatory tools.²

Respectfully submitted,

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² For more information, see Docket No. 21-05-15 PURA Investigation Into A Performance-Based Regulation Framework For The Electric Distribution Companies. *PURA Staff Concept Paper #1: Performance-Based Regulation: Introduction, Goals, and Outcomes*. March 17, 2022.