



December 1, 2023

Harry A. Lanphear  
Administrative Director  
Maine Public Utilities Commission  
26 Katherine Drive  
Hallowell, ME 04347

**RE: MAINE PUBLIC UTILITIES COMMISSION Request for Proposals for Renewable Energy Generation and Transmission Projects Pursuant to the Northern Maine Renewable Energy Development Program, Docket No. 2021-00369.**

Dear Mr. Lanphear:

On October 30, 2023, the Maine Public Utilities Commission (the “Commission”) issued a Procedural Order on Transmission Service Agreement (the “Procedural Order”) directing Central Maine Power Company (“CMP”) and Versant Power (“Versant”) (collectively, the “T&D Utilities”) to “file comments regarding LS [Power’s] response to the Staff TSA and any transmission agreement proposed by LS on or before November 27, 2023.” On November 15, 2023, the T&D Utilities filed a joint request to extend the deadline for comments to December 1, 2023. The Commission granted the T&D Utilities request on November 20, 2023. Versant appreciates the opportunity to offer comments. This letter touches on five key points, upon which we elaborate in our comments, filed confidentially pursuant to the Procedural Order and Protective Order 1, as well as the Non-disclosure Agreements Versant signed to gain access to some information.

**I. Versant Power Supports the Policy Goals of the Northern Maine Renewable Energy Development Program & Believes the Projects Can Collectively Accomplish These Goals.**

Versant is here to help achieve Maine’s ambitious statutory climate and clean energy goals. Accomplishing these goals will require adding significant renewable energy resources quickly, efficiently, and in a manner that maintains customer affordability as electricity becomes more and more central to our economy and our customers’ lives. It is our understanding that the winning generation bid holds great promise in this regard. We further recognize that proper infrastructure, including transmission, is critical to delivering this renewable energy to market. To that end, we unequivocally support the policy goals of the Northern Maine Renewable Energy Development Program (the “Program”) and believe it is possible for the two selected projects (the “Projects”)—a transmission line to be built by LS Power and a 1,000 MW wind farm to be built by Longroad Energy—to have the potential to meet these goals in a way that serves the public interest and benefits Maine’s customers.



**II. Due Process is Warranted in this Proceeding. A Lack of Due Process to Date Risks Unreasonably Shifting Cost and Risk to Ratepayers.**

Versant notes that the lack of due process in this proceeding to date has not allowed us (or CMP) to meaningfully ensure customers are protected against unreasonable costs and risks that they should not be expected to bear. Because this is a proceeding “in which the legal rights, duties or privileges of persons are at issue,” **the most appropriate process for this docket is the adjudicatory process** set forth in Chapter 110 of the Commission’s Rules of Practice and Procedure, as it is ultimately the customers of Versant and CMP who will bear the costs and realize the benefits of these projects.

An adjudicatory process provides transparency, the opportunity to review and examine the data, submit testimony and briefs, and reasonably evaluate and weigh the cost-benefit analysis, among other things. **Following the adjudicatory process here would be consistent with past Commission practice and be in the best interests of customers.**

The T&D Utilities were told that Staff, and not the T&D Utilities would negotiate these contracts. The T&D Utilities’ were then asked to participate in an informal working group this summer and fall after **Staff came to a negotiating impasse with LS Power**. This process has left Versant Power without the ability to fully understand the implications of this historic contract nor the opportunity to advocate for commercially reasonable and typical contract terms meant to protect customers in the event of delay, non-performance or loss.

**III. The Current Draft of the LS Power TA Contains Terms that are Commercially Unreasonable.**

LS Power’s draft Transmission Agreement (the “TA”), currently under consideration by the Commission, contains contract terms and requirements **that are out of alignment with reasonable market practice and Commission and Federal Energy Regulatory Commission (“FERC”) precedent**. Versant’s role in this discussion is to ensure that its customers get value for dollars paid in the manner contemplated by the Legislation, are assured the same deal as Massachusetts customers, and benefits from appropriate coordination between the Transmission and Generation projects. Versant has appreciated Staff’s efforts in this regard.

**IV. Requiring Versant’s Maine Public District Customers to Pay for the Projects is Unfair Given the Projects Will Not Interconnect with NMISA.**

As Versant has previously raised in this docket, as well as in the inquiry preceding it, we do not believe it is fair or reasonable to require Versant’s Maine Public District (“MPD”) customers to pay for the costs associated with the Projects. MPD customers will not benefit directly from the Projects because LS Power’s proposed transmission line will not operate within, nor directly interconnect to, the transmission grid subject to the Northern Maine Independent System Administrator’s oversight. Said differently, the proposed



transmission line will not electrically interconnect the MPD with the ISO New England grid and for this reason, MPD customers would not receive direct benefits, such as delivered power, price suppression, and renewable power, from the Projects.

**V. Versant Power's Comments Propose Concrete Next Steps That Can Ensure the Success of the Projects While Shielding Maine Customers from Unreasonable Cost and Risk.**

There are concrete steps the Commission can and should take at this juncture to improve the negotiation process, more appropriately allocate costs and risks in the proposed TAs, and, ultimately, enable a successful outcome whereby the Projects can move forward and Maine customers are positioned to receive significant benefits without absorbing unreasonable costs. We provide specific recommendations in our comments based on reasonable commercial terms used for similar projects.

Versant stands ready and willing to help Maine move forward with these Projects as directed by the Legislature and in the interest of helping the State meet its ambitious climate goals. We strongly believe that, collectively, the Projects hold the potential to offer a wide scope of benefits to our customers and communities through economic development and downward pressure on regional energy supply costs through increased local generation and improved transmission infrastructure. As a critical service provider in northern and eastern Maine, Versant also recognizes the crucial role it shares with regulators in ensuring customers receive the benefits and value they deserve through serious evaluation of terms, costs, and risks of contracts reached on their behalf. We strive to be a trusted partner in Maine's energy future and we are committed to acting cooperatively and diligently to fulfill our role as an important party to these agreements.

Thank you for your consideration.

Sincerely,

*/s/ Arielle Silver Karsh*

Arielle Silver Karsh

Vice President, Legal & Regulatory Affairs