

MAINE STATE LEGISLATURE

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12-11-03

L.D. 352

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DATE: 4-29-03

(Filing No. S-87)

UTILITIES AND ENERGY

Reported by:

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**STATE OF MAINE
SENATE
121ST LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 128, L.D. 352, Bill, "An Act To Encourage Energy Efficiency and Security"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 35-A MRSA §3211-A, sub-§2, as enacted by PL 2001, c. 624, §4, is amended by amending the first paragraph to read:

2. **Programs.** The commission shall develop and, to the extent of available funds, implement conservation programs in accordance with this section. The commission shall establish and, on a schedule determined by the commission, revise objectives and an overall energy strategy for conservation programs. Conservation programs implemented by the commission must be consistent with the objectives and an overall energy strategy developed by the commission and be cost effective, as defined by the commission by rule or order. In defining "cost effective," the commission may consider the extent to which a program promotes sustainable economic development or reduces environmental damage to the extent the commission can quantify or otherwise reasonably identify such effects. Consistent with the other requirements of this section, the commission, in adopting and implementing conservation programs, shall seek to encourage efficiency in electricity use, provide incentives for the development of new, energy-efficient business activity in the

COMMITTEE AMENDMENT

12-2-02

COMMITTEE AMENDMENT "A" to S.P. 128, L.D. 352

State and take into account the costs and benefits of energy efficiency and conservation to existing business activity in the State.

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Sec. 2. Report. The Public Utilities Commission shall undertake an investigation to identify rate designs, mechanisms or other means that provide incentives for transmission and distribution utilities to promote energy efficiency and that promote the security and robustness of the electric grid by appropriately compensating transmission and distribution utilities for constructing and maintaining additional infrastructure that the commission determines necessary to ensure the security and robustness of the grid in underserved areas of the State. In conducting its investigation, in addition to any other issues the commission determines appropriate, the commission shall consider:

1. Rate design mechanisms that encourage efficiency in electric use, provide incentives for the development of new energy-efficient business activity in the State and take into account the costs and benefits of energy efficiency and conservation to existing business activity in the State;

2. Financial and other incentives for transmission and distribution utilities or their customers that may support the goals of this section;

3. The impact of achieving the goals of this section on the revenues and rates of return of transmission and distribution utilities;

4. Methods available pursuant to the Maine Revised Statutes, Title 35-A, sections 3195 and 3211-A to accomplish the purposes of this section;

5. The impact of achieving the goals of this section on transmission and distribution utility rate levels and rate stability; and

6. The impact of electricity generation and consumption on air and water quality.

By February 1, 2004, the commission shall submit a report of the results of its investigation under this section to the Joint Standing Committee on Utilities and Energy.'

SUMMARY

This amendment replaces the bill. This amendment:

2 1. As in the bill, requires the Public Utilities
Commission, in adopting conservation programs, to seek to
4 encourage efficiency in electricity use, provide incentives for
the development of new, energy-efficient business activity in the
6 State and take into account the costs and benefits of energy
efficiency and conservation to existing business activity in the
8 State; and

10 2. As in the bill, requires the Public Utilities Commission
to undertake an investigation to identify rate designs,
12 mechanisms or other means that provide incentives for
transmission and distribution utilities to promote energy
14 efficiency and that promote the security and robustness of the
electric grid.

FISCAL NOTE REQUIRED
(See attached)

Approved: 04/23/03 *MAC*

**121st Maine Legislature
Office of Fiscal and Program Review**



LD 352

An Act To Encourage Energy Efficiency and Security

LR 1680(02)

Fiscal Note for Bill as Amended by Committee Amendment "A" S-87

Committee: Utilites and Energy

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds