

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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**Legislative Document**

**No. 352**

S.P. 128

In Senate, January 30, 2003

### **An Act To Encourage Energy Efficiency and Security**

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Reference to the Committee on Utilities and Energy suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator HALL of Lincoln.  
Cosponsored by Representative BERRY of Belmont and  
Representatives: BLISS of South Portland, GOODWIN of Pembroke.

Be it enacted by the People of the State of Maine as follows:

2           **Sec. 1. 35-A MRSA §3152, sub-§1, ¶¶A and C**, as amended by PL  
4 1999, c. 398, Pt. A, §57 and affected by §§104 and 105, are  
6 further amended to read:

8           A. Require the commission to relate transmission and  
10 distribution rates more closely to the costs of providing  
12 transmission and distribution service; and

14           C. Require the commission to consider the ability of  
16 low-income residential customers to pay in full for electric  
18 services as transmission and distribution rates are  
20 redesigned consistent with these policies; and

22           **Sec. 2. 35-A MRSA §3152, sub-§1, ¶D** is enacted to read:

24           D. Require the commission to use energy efficiency criteria  
26 in setting transmission and distribution utility rates.

28           **Sec. 3. 35-A MRSA §3157** is enacted to read:

30           **§3157. Energy efficiency criteria**

32           **1. Criteria.** In addition to the other requirements of this  
34 subchapter, the commission, in determining transmission and  
36 distribution utility rates or in establishing any rate-adjustment  
38 mechanism pursuant to section 3195, shall examine and adopt rate  
40 mechanisms or designs that:

42           A. Encourage efficiency in electricity use;

44           B. Provide incentives for the development of new,  
46 energy-efficient business activity in the State; and

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

**2. Report.** The 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  
infrastructure with excess or redundant capacity. In conducting  
its investigation, in addition to any other issues the commission  
determines appropriate, the commission shall consider:

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

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

10       C. Methods available pursuant to sections 3195 and 3211-A to  
accomplish the purposes of this section;

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

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

18       By December 1, 2003, the commission shall submit a report of the  
20       results of its investigation under this subsection to the joint  
standing committee of the Legislature having jurisdiction over  
22       utilities and energy matters.

24       **Sec. 4. 35-A MRSA §3211-A, sub-§2,** as enacted by PL 2001, c.  
26       624, §4, is amended by amending the first paragraph to read:

28       **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  
32       programs. Conservation programs implemented by the commission  
must be consistent with the objectives and an overall energy  
34       strategy developed by the commission and be cost effective, as  
defined by the commission by rule or order. In defining "cost  
36       effective," the commission may consider the extent to which a  
program promotes sustainable economic development or reduces  
38       environmental damage to the extent the commission can quantify or  
otherwise reasonably identify such effects. Consistent with the  
40       other requirements of this section, the commission, in adopting  
and implementing conservation programs, shall seek to encourage  
42       efficiency in electricity use, provide incentives for the  
development of new, energy-efficient business activity in the  
44       State and take into account the costs and benefits of energy  
efficiency and conservation to existing business activity in the  
46       State.

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## SUMMARY

52       This bill directs the Public Utilities Commission, in  
determining transmission and distribution utility rates or in

2 establishing any rate-adjustment mechanism or in developing and  
3 implementing conservation programs, to encourage efficiency in  
4 electricity use, provide incentives for the development of new,  
5 energy-efficient business activity in the State and take into  
6 account the costs and benefits of energy efficiency and  
7 conservation to existing business activity in the State.

8 This bill also requires the Public Utilities Commission to  
9 undertake an investigation of how to create incentives for  
10 transmission and distribution utilities to promote energy  
11 efficiency and construct and maintain adequate infrastructure.  
12 The bill directs the commission to report its findings to the  
13 Joint Standing Committee on Utilities and Energy by December 1,  
14 2003.