

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

SECOND REGULAR SESSION-2016

Legislative Document

No. 1651

H.P. 1122

House of Representatives, March 15, 2016

**An Act To Exempt Certain Natural Gas Consumers from an
Assessment and To Extend a Moratorium on Assessments for Other
Large-volume Consumers of Natural Gas**

Reported by Representative DION of Portland for the Joint Standing Committee on
Energy, Utilities and Technology pursuant to Resolve 2015, chapter 39, section 2.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

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

2 **Sec. 1. 35-A MRSA §10111, sub-§2**, as amended by PL 2013, c. 369, Pt. A, §25,
3 is further amended to read:

4 **2. Funding level.** The natural gas conservation fund, which is a nonlapsing fund, is
5 established to carry out the purposes of this section. The commission shall assess each
6 gas utility, in accordance with the triennial plan, an amount necessary to capture all cost-
7 effective energy efficiency that is achievable and reliable for those consumers who are
8 eligible to receive funds from the natural gas conservation fund. All amounts collected
9 under this subsection must be transferred to the natural gas conservation fund. Any
10 interest on funds in the fund must be credited to the fund. Funds not spent in any fiscal
11 year remain in the fund to be used for the purposes of this section.

12 The assessments charged to gas utilities under this section are just and reasonable costs
13 for rate-making purposes and must be reflected in the rates of gas utilities.

14 All funds collected pursuant to this section are collected under the authority and for the
15 purposes of this section and are deemed to be held in trust for the purposes of benefiting
16 natural gas consumers served by the gas utilities assessed under this subsection. In the
17 event funds are not expended or contracted for expenditure within 2 years of being
18 collected from consumers, the commission shall ensure that the value of those funds is
19 returned to consumers.

20 Rules adopted by the commission under this subsection are routine technical rules as
21 defined in Title 5, chapter 375, subchapter 2-A.

22 **Sec. 2. 35-A MRSA §10111, sub-§2-A** is enacted to read:

23 **2-A. Exemption.** A wholesale electricity-generating facility that has a nameplate
24 capacity of 3 megawatts or greater is not eligible to participate in any natural gas
25 conservation program under this section. The commission may not allow a gas utility to
26 collect an assessment under this section through its rates from a wholesale electricity-
27 generating facility that has a nameplate capacity of 3 megawatts or greater.

28 **Sec. 3. Moratorium on assessments by gas utilities on large-volume**
29 **consumers.** Notwithstanding the Maine Revised Statutes, Title 35-A, section 10111,
30 until 90 days after the adjournment of the First Regular Session of the 128th Legislature:

31 1. Large-volume consumers of a gas utility are not eligible to participate in any
32 Efficiency Maine Trust natural gas conservation programs;

33 2. The Public Utilities Commission may not allow a gas utility to collect an
34 assessment under Title 35-A, section 10111 through its rates from large-volume
35 consumers and may not make a final decision regarding the appropriateness of or size of
36 such collections from large-volume consumers; and

37 3. The Public Utilities Commission may not order or authorize a gas utility assessed
38 under Title 35-A, section 10111 to exempt any consumers other than large-volume

1 consumers and those consumers exempted under Title 35-A, section 10111, subsection
2 2-A from the collection of that assessment through its rates.

3 Prior to 90 days after the adjournment of the First Regular Session of the 128th
4 Legislature, any assessment by the Public Utilities Commission under Title 35-A, section
5 10111 must be in an amount necessary to capture all cost-effective energy efficiency that
6 is achievable and reliable only for consumers who are not exempt under Title 35-A,
7 section 10111, subsection 2-A or under this section.

8 For the purposes of this section, "large-volume consumer" means a consumer of a gas
9 utility that uses 1,000,000 centum cubic feet or more of natural gas per year.

10 **SUMMARY**

11 This bill is reported out by the Joint Standing Committee on Energy, Utilities and
12 Technology pursuant to Resolve 2015, chapter 39, section 2. It prohibits the Public
13 Utilities Commission from allowing a gas utility to collect an assessment under the Maine
14 Revised Statutes, Title 35-A, section 10111 through its rates from a wholesale electricity-
15 generating facility that has a nameplate capacity of 3 megawatts or more and prohibits
16 such a facility from participating in any natural gas conservation program. The bill also
17 establishes a moratorium on assessments for large-volume consumers by gas utilities until
18 90 days after the adjournment of the First Regular Session of the 128th Legislature. This
19 bill specifies that the Public Utilities Commission may not allow a natural gas utility to
20 collect an assessment under Title 35-A, section 10111 through its rates from large-
21 volume consumers and may not make a final decision regarding the appropriateness of or
22 size of such collections from large-volume consumers. The bill specifies that the Public
23 Utilities Commission may not order or authorize a natural gas utility to exempt from
24 collection of an assessment through its rates any consumers other than large-volume
25 consumers. The bill specifies that, during this same time period, large-volume consumers
26 are not eligible to participate in any Efficiency Maine Trust natural gas conservation
27 programs. This bill also ensures that any assessment by the commission under Title
28 35-A, section 10111 must be in an amount necessary to capture all cost-effective energy
29 efficiency that is achievable and reliable only for consumers who are not exempt under
30 Title 35-A, section 10111, subsection 2-A, or who are not large-volume consumers, until
31 90 days after adjournment of the First Regular Session of the 128th Legislature.

32 This bill defines "large-volume consumer" as a consumer using 1,000,000 centum
33 cubic feet or more of natural gas per year.



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LD 1651

LR 2709(01)

An Act To Exempt Certain Natural Gas Consumers from an Assessment and To Extend a Moratorium on Assessments for Other Large-volume Consumers of Natural Gas

Fiscal Note for Original Bill
Committee: Energy, Utilities and Technology
Fiscal Note Required: Yes

Fiscal Note

Potential current biennium revenue decrease - Other Special Revenue Funds

Fiscal Detail and Notes

The bill requires that the Public Utilities Commission (PUC) not assess any large volume customer of a gas utility or make any final decision regarding the appropriateness or size of assessments on large volume customers until 90 days after adjournment of the First Regular Session of the 128th Legislature in fiscal year 2017-18. Large volume customers are not currently being assessed by the PUC. Any revenue, if they were to be assessed, would be transferred to the Efficiency Maine Trust by the PUC. No estimate is made at this time on whether and at what rate they would be assessed. The bill also exempts wholesale electricity-generating facilities having a nameplate capacity of 3 megawatts or greater from assessments. No estimate is made at this time on the potential revenue loss from exempting these wholesale electricity-generating facilities.