

MAINE STATE LEGISLATURE

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Date: 3-11-20

L.D. 13

(Filing No. H-742)

MAJORITY
ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 14, L.D. 13, Bill, "An Act To Allow Microgrids That Are in the Public Interest"

Amend the bill by striking out all of section 2 and inserting the following:

'Sec. 2. 35-A MRSA c. 33-A is enacted to read:

CHAPTER 33-A

MICROGRIDS

§3351. Microgrids

1. Definitions. As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

A. "Distributed energy resources" means small-scale electrical generation sources located close to where the generated electricity is used, energy storage resources, energy efficiency resources or demand response resources.

B. "New microgrid" means a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the electric grid and can connect and disconnect from the electric grid to enable the new microgrid to operate in both electric grid-connected mode and non-grid-connected mode, referred to in this chapter as "island mode," and that is constructed after October 1, 2020.

2. Microgrids, public utility exception. Notwithstanding section 2102 or any other provision of this Title to the contrary, a person that constructs, maintains or operates a new microgrid approved under subsection 3 does not, solely as a result of furnishing service through that new microgrid to participating consumers, become a public utility and is not subject to regulation as a public utility under this Title.

3. Commission approval; requirements. A person may not construct or operate a new microgrid without commission approval in accordance with this subsection.

COMMITTEE AMENDMENT

1 A. The commission shall approve a petition to construct and operate a new microgrid
2 if the commission finds that operation of the new microgrid is in the public interest
3 and the new microgrid meets at least the following requirements:

4 (1) The proposed new microgrid will serve a total load of no more than 25
5 megawatts;

6 (2) The proposed new microgrid is located in the service territory of a
7 transmission and distribution utility with more than 50,000 customers;

8 (3) The distributed energy resources for the new microgrid meet the applicable
9 portfolio requirements in section 3210, subsections 3, 3-A, 3-B and 3-C;

10 (4) The person proposing the new microgrid demonstrates that the person has
11 secured the financial capacity to operate the proposed new microgrid;

12 (5) The person proposing the new microgrid demonstrates that the person has
13 secured the technical capability to operate the proposed new microgrid;

14 (6) There is a contractual relationship between the proposed new microgrid
15 operator and consumers within the area to be served by the proposed new
16 microgrid; and

17 (7) The proposed new microgrid will not negatively affect the reliability and
18 security of the electric grid.

19 For the purposes of this paragraph, when determining whether a proposed new
20 microgrid is in the public interest, the commission shall consider possible ratepayer
21 effects, whether positive or negative; benefits due to the increased resilience or
22 reliability of the electric grid; economic development benefits; and any other factors
23 the commission considers necessary to promote the public interest.

24 B. As a condition of approval of a new microgrid, the commission shall:

25 (1) Require that any increase in costs to the electric transmission and distribution
26 system in the State as a result of the new microgrid must be fully recovered from
27 the microgrid owner and customers of the microgrid and not passed on to other
28 electric ratepayers; and

29 (2) Impose any other terms, conditions or requirements on the construction,
30 maintenance or operation of the new microgrid as, in its judgment, it considers
31 necessary, which may include but are not limited to parameters regarding the
32 ability of the new microgrid to enter island mode, as defined by the commission
33 by rule, and the operation of the new microgrid in grid-connected mode and
34 island mode.

35 4. Commission oversight; grid protections; consumer protections. A new
36 microgrid approved in accordance with subsection 3 is subject to commission oversight to
37 ensure reliability and security of the electric grid and consumer protections for customers
38 of the new microgrid.

39 5. Services. Services provided by a new microgrid may include, but are not limited
40 to:

1 A. Standby electric service, as defined by the commission by rule, when the new
2 microgrid is operating in island mode; and

3 B. Selling electricity as a competitive electricity provider when the new microgrid is
4 operating in grid-connected mode.

5 6. Rulemaking. The commission may adopt rules to implement this section. Rules
6 adopted under this subsection are routine technical rules pursuant to Title 5, chapter 375,
7 subchapter 2-A.'

8 Amend the bill in section 3 in the 2nd line (page 3, line 5 in L.D.) by striking out the
9 following: "15, 2021" and inserting the following: '18, 2022'

10 Amend the bill in section 3 in the last line (page 3, line 11 in L.D.) by striking out
11 the following: "First" and inserting the following: 'Second'

12 Amend the bill by inserting after section 3 the following:

13 '**Sec. 4. Precedent established by Public Utilities Commission.** The
14 provisions of this Act may not be interpreted to modify or nullify the analytical
15 framework and precedent for analyzing whether an entity is a transmission and
16 distribution utility or a competitive electricity provider established by the Public Utilities
17 Commission in opinions and orders issued prior to the effective date of this Act,
18 including, but not limited to, opinions and orders issued under Docket Number 2000-653,
19 Request for Commission Investigation Regarding the Plans of Boralex Stratton Energy,
20 Inc. to Provide Electric Service Directly from Stratton Lumber Company and Docket
21 Number 2011-200, ReEnergy Rumford, LLC, Request for Advisory Ruling.'

22 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
23 section number to read consecutively.

24 SUMMARY

25 This amendment makes the following changes to the bill:

26 1. Clarifies the definitions of "distributed energy resources" and "new microgrid";

27 2. Amends the requirements a microgrid must meet to be approved to: increase the
28 maximum load from 10 to 25 megawatts; require that the microgrid be located in a
29 service territory of a transmission and distribution utility with more than 50,000
30 customers; clarify the renewable portfolio requirements the new microgrid must meet;
31 and remove the prohibition in the bill that a person owning or operating the new
32 microgrid may not be an investor-owned utility or affiliate;

33 3. Adds a provision to require that any increases in costs to the electric transmission
34 and distribution system in the State as a result of the new microgrid must be fully
35 recovered from the microgrid owner and customers of the microgrid and not passed on to
36 other electric ratepayers;

37 4. Updates the dates in the bill to reflect that the bill is being considered in 2020
38 rather than 2019; and

39 5. Adds language to clarify that this legislation does not modify or nullify the
40 framework and precedent for analyzing whether an entity is a transmission and

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1 distribution utility or a competitive electricity provider established by the Public Utilities
2 Commission in related cases.

3 **FISCAL NOTE REQUIRED**

4 **(See attached)**



129th MAINE LEGISLATURE

LD 13

LR 18(02)

An Act To Allow Microgrids That Are in the Public Interest

Fiscal Note for Bill as Amended by Committee Amendment A (H-742)
Committee: Energy, Utilities and Technology
Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Public Utilities Commission resulting from changes to the rules regarding the criteria for the approval, operation and review of microgrids are anticipated to be minor and can be absorbed within existing budgeted resources.