

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

No. 469

S.P. 207

In Senate, February 11, 2025

**An Act to Prioritize State Access to Electricity Generated in Canada
via High-impact Electric Transmission Lines**

Received by the Secretary of the Senate on February 5, 2025. Referred to the Committee on Energy, Utilities and Technology pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator MARTIN of Oxford.
Cosponsored by Representative SOBOLESKI of Phillips and
Senators: BENNETT of Oxford, BRADSTREET of Kennebec, CYRWAY of Kennebec,
HARRINGTON of York, STEWART of Aroostook, Representatives: FOSTER of Dexter,
SMITH of Palermo.

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

2 **Sec. 1. 35-A MRSA §3131, sub-§4-E** is enacted to read:

3 **4-E. Local consumption standard.** "Local consumption standard" means a
4 requirement that at least 50% of the electricity delivered by a high-impact electric
5 transmission line into the State will be allocated to and consumed within the State.

6 **Sec. 2. 35-A MRSA §3132, sub-§6-F** is enacted to read:

7 **6-F. High-impact electric transmission line; local consumption standard.** On or
8 after December 31, 2026, the commission may not issue a certificate of public convenience
9 and necessity approving the construction of a high-impact electric transmission line to
10 deliver electricity generated in Canada through this State within the electric grid operated
11 by the New England independent system operator unless the high-impact electric
12 transmission line meets the local consumption standard.

13 The commission may issue a certificate of public convenience and necessity approving
14 the construction of a high-impact electric transmission line that does not meet the local
15 consumption standard if the commission determines that requiring the high-impact electric
16 transmission line to meet the local consumption standard would interfere with the reliability
17 of the electric grid or regional energy agreements necessary for energy security in the State.

18 This subsection is repealed December 31, 2031.

19 **Sec. 3. 35-A MRSA §3132-E** is enacted to read:

20 **§3132-E. Local consumption standard required; reporting**

21 **1. Local consumption standard required.** On or after December 31, 2026, a person
22 may not operate a high-impact electric transmission line to deliver electricity generated in
23 Canada through this State to other states within the electric grid operated by the New
24 England independent system operator unless the high-impact electric transmission line
25 meets the local consumption standard.

26 **2. Reporting.** A person operating a high-impact electric transmission line that receives
27 a certificate of public convenience and necessity in accordance with section 3132,
28 subsection 6-F shall file on a quarterly basis with the commission a report that must include,
29 but is not limited to, the total amount of electricity delivered to the State through the high-
30 impact electric transmission line, the total amount of electricity allocated and consumed
31 within the State and the total amount of electricity delivered to other states within the
32 electric grid operated by the New England independent system operator.

33 **3. Penalty.** If the commission finds that a person operating a high-impact electric
34 transmission line violates any provision of this section, the commission shall, in an
35 adjudicatory proceeding, impose an administrative penalty on the operator of the high-
36 impact electric transmission line. In determining the amount of an administrative penalty
37 under this section, the commission shall consider the factors listed in section 1508-A,
38 subsection 2. Each quarter a violation continues constitutes a separate offense. The
39 maximum administrative penalty for a violation may not exceed \$575,000 or 5% of the
40 gross revenue that the operator of the high-impact electric transmission line received from
41 the sale of electricity outside of the State during the quarter in which the violation occurred,
42 whichever amount is lower. Notwithstanding section 117, subsection 3, administrative

1 penalties collected by the commission must be deposited into the Public Utilities
2 Commission Energy Affordability Fund.

3 **4. Public Utilities Commission Energy Affordability Fund established.** The Public
4 Utilities Commission Energy Affordability Fund, referred to in this subsection as "the
5 fund," is established as a nonlapsing fund administered by the commission. The fund
6 consists of funds that are appropriated by the Legislature, funds received from federal and
7 state sources, administrative penalties received by the commission for violations of this
8 section and section 3149 and other funds from any public or private source received for use
9 for any of the purposes described in this subsection. The fund must be used to provide
10 rebates to electricity customers in the State in accordance with rules adopted by the
11 commission.

12 **5. Rulemaking.** The commission shall adopt rules to implement this section. Rules
13 adopted pursuant to this subsection are routine technical rules pursuant to Title 5, chapter
14 375, subchapter 2-A.

15 **6. Repeal.** This section is repealed December 31, 2031.

16 **Sec. 4. 35-A MRSA §3149** is enacted to read:

17 **§3149. State development plan**

18 **1. Development efforts.** The Governor's Energy Office, established in Title 2, section
19 9, shall seek to collaborate with other governmental entities, competitive electricity
20 providers and transmission and distribution utilities in the State to develop methods to
21 encourage the expansion of businesses in the State or the relocation of businesses to the
22 State. The office shall identify energy-intensive industries that may benefit from relocating
23 to the State and consider options and incentives to encourage economic development,
24 which may include electricity rate-related incentives.

25 **2. Report required; transmission and distribution utility and competitive**
26 **electricity provider.** No later than December 31, 2027, and annually thereafter, each
27 transmission and distribution utility and competitive electricity provider shall submit to the
28 commission a report describing the transmission and distribution utility's or competitive
29 electricity provider's efforts to collaborate with state and local economic development
30 agencies to encourage the expansion of businesses in the State or the relocation of
31 businesses to the State, including businesses engaged in energy-intensive industries. The
32 report must include specific actions taken or considered by the transmission and
33 distribution utility or competitive electricity provider that must include, but are not limited
34 to, incentives that reduce costs for electricity customers.

35 **3. Administrative penalties.** Notwithstanding section 117, subsection 3,
36 administrative penalties imposed by the commission in accordance with section 1508-A
37 for violations of this section must be deposited into the Public Utilities Commission Energy
38 Affordability Fund established in section 3132-E, subsection 4.

39 **4. Repeal.** This section is repealed December 31, 2031.

40 **Sec. 5. Public Utilities Commission report.** No later than December 31, 2030,
41 the Public Utilities Commission shall provide a report to the joint standing committee of
42 the Legislature having jurisdiction over electricity matters assessing the effect of the local
43 consumption standard requirement required in the Maine Revised Statutes, Title 35-A,

1 section 3132-E, subsection 1, including an evaluation of the benefits and costs to electricity
2 customers in the State, the effect on regional energy markets and recommendations
3 regarding the continuation of the requirement. The report must also include a
4 recommendation regarding the activities reported by transmission and distribution utilities
5 and competitive electricity providers in accordance with Title 35-A, section 3149,
6 subsection 2. After receiving the commission's report, the committee may report out a bill
7 related to any recommendations included in the report.

8 **Sec. 6. Evaluation of local consumption standard requirement.** The Public
9 Utilities Commission shall consider the local consumption standard requirement
10 established by the Maine Revised Statutes, Title 35-A, section 3132-E, subsection 1, and
11 develop recommendations for ways in which the cost of electricity may be reduced to
12 increase electricity consumption in the State and ensure that the local consumption standard
13 is met. By December 31, 2025, the commission shall provide a report to the Joint Standing
14 Committee on Energy, Utilities and Technology regarding its findings, including any
15 recommendations for legislation. The committee may report out a bill related to any
16 recommendations included in the report.

17 **Sec. 7. Rulemaking.** The Public Utilities Commission shall initiate rulemaking to
18 adopt rules in accordance with the Maine Revised Statutes, Title 35-A, section 3132-E no
19 later than 90 days after the effective date of this Act.

20 SUMMARY

21 This bill prohibits, beginning December 31, 2026, the Public Utilities Commission
22 from issuing a certificate of public convenience and necessity for the construction of a high-
23 impact electric transmission line to deliver electricity generated in Canada to other states
24 within the electric grid operated by the New England independent system operator unless
25 at least 50% of the electricity delivered to the State will be allocated to and consumed
26 within the State. It requires the person operating a high-impact electric transmission line to
27 file quarterly reports with the commission and provides that any penalties for
28 noncompliance with the requirements of the law are paid into the Public Utilities
29 Commission Energy Affordability Fund. The bill requires the commission to review the
30 requirement established by the Maine Revised Statutes, Title 35-A, section 3132-E,
31 subsection 1 and develop recommendations for how the cost of electricity may be reduced
32 to increase consumption and ensure that the 50% threshold required by the bill is met. By
33 December 31, 2025, the commission must provide a report to the Joint Standing Committee
34 on Energy, Utilities and Technology regarding its findings, including any
35 recommendations for legislation.

36 No later than December 31, 2030, the commission is required to provide a report to the
37 joint standing committee of the Legislature having jurisdiction over electricity matters
38 assessing the local consumption standard requirement, including an evaluation of the laws'
39 effect on the benefits and costs to electricity customers in the State and on regional energy
40 markets. The commission's report must include recommendations regarding the
41 continuation of the local consumption standard requirement. The bill includes a provision
42 that repeals the laws on December 31, 2031.

43 The bill also requires that, beginning December 31, 2027, each transmission and
44 distribution utility and competitive electricity provider to submit to the commission an

1 annual report describing the transmission and distribution utility's or competitive electricity
2 provider's efforts to collaborate with state and local economic development agencies to
3 encourage the expansion of businesses in the State or the relocation of businesses to the
4 State, including specific actions taken or considered by the transmission and distribution
5 utility or competitive electricity provider.