

MAINE STATE LEGISLATURE

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Date: 3/20/8

UTILITIES AND ENERGY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1529, L.D. 2149, Bill, "An Act To Lower Energy Costs and Increase Renewable Energy in Maine"

Amend the bill by striking out the title and substituting the following:

'Resolve, To Encourage Renewable Energy and Energy Conservation in Maine'

Amend the bill by striking out everything after the title and before the summary and inserting the following:

'Sec. 1. Net energy billing. Resolved: That the Public Utilities Commission shall review and make recommendations for changes to the statutes and rules governing net energy billing for customers of transmission and distribution utilities, including the relevant provisions of the commission's rules governing the purchase of electricity from small generators, in order to promote and encourage energy generation from renewable resources. The review must include, but is not limited to, consideration of the intent of the laws and rules at the time they were established, the status of net energy billing policies in other states and their implementation, the relevant portions of the report of the Governor's Task Force on Wind Power Development in Maine pursuant to Executive Order 31 FY 06/07 and the relevant portions of the commission's final report pursuant to Resolve 2005, chapter 187 regarding continued participation in the New England regional transmission organization.

By January 15, 2009, the commission shall submit a report of its findings and recommendations regarding net energy billing, and any necessary implementing legislation, to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters. The report must, at a minimum, address the following aspects of net energy billing:

- 1. Limits on installed capacity;

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1 2. The value of kilowatt-hour credits, including options for separating transmission
2 and distribution charges from energy charges;

3 3. The treatment of net excess generation, including options for excess energy with
4 respect to renewable energy credits; and

5 4. The proximity of the renewable energy facility to the customer; and be it further

6 **Sec. 2. Interconnection standards for small renewable energy facilities.**

7 **Resolved:** That the Public Utilities Commission shall review and make a determination
8 regarding the establishment of statewide standards for the interconnection of small
9 renewable energy facilities to the energy grid. For the purposes of this section, "small"
10 means an installed capacity of no more than 5 megawatts. In making its determination,
11 the commission shall consider relevant federal laws and rules as well as interconnection
12 standards that have been developed by states and other appropriate entities. If the
13 commission finds that statewide interconnection standards for small renewable energy
14 facilities are advisable, the commission shall proceed to develop such standards. In any
15 development of interconnection standards pursuant to this section, the commission may
16 establish different standards for different tiers of facilities based on generating capacity
17 and may develop any necessary interconnection agreements and related forms, as
18 appropriate.

19 By January 15, 2009, the commission shall submit a report of its findings and
20 recommendations regarding statewide interconnection standards to the joint standing
21 committee of the Legislature having jurisdiction over utilities and energy matters. The
22 report must include any standards developed pursuant to this section, together with any
23 necessary implementing legislation, as appropriate; and be it further

24 **Sec. 3. Shared ownership of renewable energy facilities. Resolved:**

25 That the Public Utilities Commission shall adopt rules to allow for the development of
26 renewable energy facilities under shared ownership and to permit net energy billing, or
27 another more cost-effective alternative to net energy billing, for users of such a facility
28 regardless of the physical distance of the users from the facility. Rules adopted pursuant
29 to this section are major substantive rules as defined in the Maine Revised Statutes, Title
30 5, chapter 375, subchapter 2-A. Rules adopted pursuant to this section must be submitted
31 to the Legislature by January 15, 2009 for review by the joint standing committee of the
32 Legislature having jurisdiction over utilities and energy matters during the First Regular
33 Session of the 124th Legislature; and be it further

34 **Sec. 4. Time-of-use rates; advanced metering infrastructure. Resolved:**

35 That the Public Utilities Commission shall develop a proposal for establishing time-of-
36 use rates for commercial and residential electricity customers. The proposal must provide
37 for differential rates for the cost of energy based on the time of use of the energy,
38 adjusted by the level of demand on the energy grid. The commission shall also develop a
39 proposal for an advanced metering infrastructure program that would enable all
40 commercial and residential customers to have installed electric meters that can provide
41 customers with energy price information. Any proposal developed under this section
42 must be found by the commission to be cost-effective, taking into account the full range
43 of potential costs and benefits, with or without the inclusion of an opt-out provision.

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1 By March 15, 2009, the commission shall submit a report presenting the proposals for
2 time-of-use rates and advanced metering infrastructure to the joint standing committee of
3 the Legislature having jurisdiction over utilities and energy matters. The report must
4 include recommendations regarding implementation of each proposal as well as the
5 results of the cost-benefit analysis of each, together with any necessary implementing
6 legislation. The requirements of this section are not intended to interfere with any
7 pending proceedings before the commission relating to the subject matter of this section;
8 and be it further

9 **Sec. 5. Reuse of waste heat. Resolved:** That the director of the Governor's
10 Office of Energy Independence and Security within the Executive Department, referred to
11 in this section as "the director," and the Energy Resources Council established in the
12 Maine Revised Statutes, Title 5, section 3327 shall jointly undertake a project under the
13 direction and leadership of the director to examine opportunities for energy conservation
14 through the reuse of waste heat and make recommendations for eliminating barriers to
15 and creating incentives for the installation of systems that conserve energy through the
16 reuse of waste heat. The project must include an examination of technical and policy
17 issues and consideration of tax incentives and other policies and programs to encourage
18 such systems. The director and the Energy Resources Council shall also jointly develop a
19 plan to reduce peak-load energy consumption in existing and new state government
20 buildings.

21 By December 1, 2009, the Governor's Office of Energy Independence and Security
22 shall submit a report that includes findings and recommendations regarding energy
23 conservation through the reuse of waste heat and the plan for reducing peak consumption
24 in state government buildings, together with any necessary implementing legislation, to
25 the joint standing committee of the Legislature having jurisdiction over utilities and
26 energy matters; and be it further

27 **Sec. 6. Authority for legislation. Resolved:** That, after receipt and review of
28 any report required by this resolve, the joint standing committee of the Legislature having
29 jurisdiction over utilities and energy matters may submit legislation concerning the
30 subject matter of the report to the First Regular Session or the Second Regular Session of
31 the 124th Legislature, as appropriate.'

32 **SUMMARY**

33 This amendment replaces the bill with a resolve. The amendment:

34 1. Replaces the provisions of the bill regarding net energy billing with a directive to
35 the Public Utilities Commission to review and make recommendations for changes to the
36 statutes and rules governing net energy billing and submit a report of its findings by
37 January 15, 2009;

38 2. Requires the Public Utilities Commission to conduct a review to determine
39 whether the State should establish statewide standards for interconnection of renewable
40 generation facilities and then, if determined to be appropriate, proceed to establish those
41 standards;

42 3. Specifies the rules for shared ownership of renewable energy projects as major
43 substantive rules. The bill had specified these as routine technical rules;

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1 4. Eliminates the requirement in the bill that any new construction include a time-of-
2 use meter, maintains the provision requiring the Public Utilities Commission to develop a
3 proposal for time-of-use rates and, instead of requiring the commission to develop a plan
4 for statewide distribution for time-of-use meters, requires the commission to develop a
5 proposal for advanced metering infrastructure;

6 5. Removes the provision in the bill that authorizes the Maine State Housing
7 Authority to issue up to \$5,000,000 in bonds to establish a home energy audit program;
8 and

9 6. Adds a provision that requires the director of the Governor's Office of Energy
10 Independence and Security and the Energy Resources Council to undertake a joint project
11 to examine opportunities for energy conservation through the reuse of waste heat and to
12 develop a plan to reduce peak-load energy consumption in existing and new state
13 government buildings.

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FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



Approved: 03/14/08 *MAC*

123rd MAINE LEGISLATURE

LD 2149

LR 2834(02)

An Act To Lower Energy Costs and Increase Renewable Energy in Maine

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Utilities and Energy

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Additional costs associated with this legislation can be absorbed by the Public Utilities Commission and the Governor's Office of Energy Independence and Security utilizing existing budgeted resources.