

MAINE STATE LEGISLATURE

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Legislative Document

No. 2149

H.P. 1529

House of Representatives, January 15, 2008

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

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

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

Millicent M. MacFarland

MILLICENT M. MacFARLAND

Clerk

Presented by Representative PINGREE of North Haven.

Cosponsored by Senator BARTLETT of Cumberland and

Representatives: ADAMS of Portland, BEAUDETTE of Biddeford, BERRY of Bowdoinham, BLANCHARD of Old Town, BLISS of South Portland, BRAUTIGAM of Falmouth, BURNS of Berwick, CAIN of Orono, CANAVAN of Waterville, CAREY of Lewiston, CARTER of Bethel, CONNOR of Kennebunk, CONOVER of Oakland, CROCKETT of Augusta, Speaker CUMMINGS of Portland, DUCHESNE of Hudson, EATON of Sullivan, EBERLE of South Portland, FAIRCLOTH of Bangor, FISCHER of Presque Isle, FLETCHER of Winslow, HAYES of Buckfield, HINCK of Portland, HOGAN of Old Orchard Beach, KOFFMAN of Bar Harbor, MARLEY of Portland, MAZUREK of Rockland, NORTON of Bangor, PEOPLES of Westbrook, PERRY of Calais, PIEH of Bremen, PRATT of Eddington, PRIEST of Brunswick, RECTOR of Thomaston, SCHATZ of Blue Hill, SIMPSON of Auburn, SIROIS of Turner, SMITH of Monmouth, SOCTOMAH of the Passamaquoddy Tribe, THERIAULT of Madawaska, TREAT of Hallowell, WATSON of Bath, WHEELER of Kittery, Senators: BOWMAN of York, DAMON of Hancock, DIAMOND of Cumberland, President EDMONDS of Cumberland, MARTIN of Aroostook, McCORMICK of Kennebec, MILLS of Somerset, MITCHELL of Kennebec, ROTUNDO of Androscoggin, SAVAGE of Knox.

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

2 **PART A**

3 **Sec. A-1. 35-A MRSA §3210-E** is enacted to read:

4 **§3210-E. Net energy**

5 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
6 following terms have the following meanings.

7 A. "Net energy" means the difference between the kilowatt-hours consumed by a
8 customer and the kilowatt-hours generated by the customer's renewable generation
9 facility over any time period determined as if measured by a single meter capable of
10 registering the flow of electricity in 2 directions.

11 B. "Net energy billing" means the billing and metering practice under which a
12 customer is billed on the basis of net energy over the billing period, taking into
13 account accumulated unused kilowatt-hour credits from the previous billing period.

14 C. "Standard-offer provider" means a provider of standard-offer service chosen
15 pursuant to rules adopted by the commission.

16 D. "Transmission and distribution utility" means a person, and its lessees, trustees or
17 receivers or trustees appointed by a court, owning, controlling, operating or managing
18 a transmission and distribution plant for compensation within the State.

19 **2. Annualized customer net energy billing.** A customer of a transmission and
20 distribution utility that uses energy generated using a renewable fuel or technology as
21 specified in section 3210, subsection 2, paragraph C, subparagraph (2), divisions (a) to
22 (h) from a renewable generation facility with an installed capacity of 2 megawatts or less
23 to serve its own electricity requirements may elect net energy billing. For purposes of
24 this section, the renewable generation facility must be located on or in the vicinity of the
25 customer's premises and used primarily to offset part or all of the customer's own
26 electricity requirement.

27 A. At the option of a customer, a transmission and distribution utility must bill on an
28 annualized net energy basis according to this paragraph.

29 (1) If the electricity generated during the billing period by the customer's
30 renewable generation facility plus any kilowatt-hour credits from prior billing
31 periods exceed the customer's kilowatt-hour usage during the billing period, the
32 excess must be applied to the customer's bill for the following billing period as a
33 reduction in the customer's kilowatt-hour usage.

34 (2) If the customer's kilowatt-hour usage exceeds the electricity generated by its
35 renewable generation facility during the billing period plus any kilowatt-hour
36 credits pursuant to subparagraph (1), the customer must be billed for the excess
37 kilowatt-hour usage at the applicable retail rate for electricity service.

38 (3) A customer may accumulate unused kilowatt-hour credits and apply them
39 against kilowatt-hour usage over a 12-month period. At the end of each 12-

1 month period, the customer must be compensated for any remaining unused
2 kilowatt-hour credits at the electric power supplier's or the basic generation
3 service provider's avoided cost of wholesale power.

4 (4) Net energy billing applies only to kilowatt-hour usage charges. A net energy
5 billing customer is responsible for all other charges applicable to the customer's
6 rate class and recovered either through fixed amounts or over units other than
7 kilowatt-hours.

8 B. A customer that has elected net energy billing may obtain generation service from
9 any competitive electricity provider that agrees to provide service on a net energy
10 basis. If the customer obtains service from the standard-offer provider, the standard-
11 offer provider must provide service on a net energy basis.

12 **3. Separate meters.** Nothing in this section prohibits a transmission and distribution
13 utility from installing additional meters to record purchases and sales separately;
14 however, a customer that elects to be billed on a net energy basis may not be charged for
15 the cost of the additional meters or other necessary equipment.

16 **4. Development of standard contract.** Each transmission and distribution utility
17 shall develop a standard contract for annualized customer net energy billing consistent
18 with the provisions of this section.

19 **5. Notification required.** A transmission and distribution utility shall notify the
20 commission if the cumulative capacity of renewable generation facilities subject to the
21 provisions of this section reaches 0.5% of its peak demand. Upon notification, the
22 commission shall determine whether net energy billing should continue or be modified.

23 **6. Waiver.** Upon the request of a person subject to this section or upon its own
24 motion, the commission may, for good cause, waive certain requirements of this section
25 as long as the waiver is not inconsistent with the purposes of this section.

26 **Sec. A-2. Development of statewide standards for interconnection.** The
27 Public Utilities Commission shall develop statewide standards for the interconnection of
28 new homes' and businesses' renewable generation facilities with the energy grid. In
29 developing standards under this section, the commission shall take into consideration
30 those standards developed by other states and by professional associations for the
31 advancement of technology. The standards developed pursuant to this section must allow
32 customers to use a single, nondemand, nontime-differentiated meter. By January 15,
33 2009, the commission shall submit the standards, together with any necessary
34 implementing legislation, to the joint standing committee of the Legislature having
35 jurisdiction over utilities and energy matters. After receipt and review of the standards,
36 the joint standing committee may submit legislation to the First Regular Session of the
37 124th Legislature.

38 **Sec. A-3. Cooperative ownership of small community renewable energy**
39 **projects.** The Public Utilities Commission shall adopt rules to allow communities to
40 develop shared renewable energy facilities and to permit net energy billing to users
41 connected to those facilities, regardless of the physical distance of the communities from

1 the facilities. Rules adopted pursuant to this section are routine technical rules as defined
2 in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A.

3 **PART B**

4 **Sec. B-1. 10 MRSA §1415-J** is enacted to read:

5 **§1415-J. Time-of-use meters; installation required**

6 Effective January 1, 2009, any new construction of a commercial or residential
7 building must include the installation of a time-of-use meter designed to monitor and
8 record the amount of electricity used and the time of such use.

9 **Sec. B-2. Time-of-use meters; statewide distribution.** The Public Utilities
10 Commission shall develop a proposal to implement the statewide distribution of time-of-
11 use meters to all consumers of electric energy in the State by October 1, 2010. By
12 January 15, 2009, the commission shall submit its proposal, together with any necessary
13 implementing legislation, to the joint standing committee of the Legislature having
14 jurisdiction over utilities and energy matters. After receipt and review of the proposal
15 under this section, the joint standing committee may submit legislation to the First
16 Regular Session of the 124th Legislature.

17 **Sec. B-3. Time-of-use rates.** The Public Utilities Commission shall develop a
18 proposal to authorize transmission and distribution utilities to charge time-of-use rates
19 that vary depending on whether the energy consumption occurs during peak load times or
20 off-peak load times. The proposal must include a provision that would allow the
21 commission to grant a waiver from the variable rate structure for certain households and
22 businesses that cannot adjust energy consumption around peak load times of day,
23 including, but not limited to, retirees, home businesses, restaurants and any other entity
24 that can show an inability to adjust energy consumption. By January 15, 2009, the
25 commission shall submit its proposal, together with any necessary implementing
26 legislation, to the joint standing committee of the Legislature having jurisdiction over
27 utilities and energy matters. After receipt and review of the proposal under this section,
28 the joint standing committee may submit legislation to the First Regular Session of the
29 124th Legislature.

30 **PART C**

31 **Sec. C-1. 30-A MRSA §4722, sub-§1, ¶AA**, as amended by PL 2007, c. 466, Pt.
32 A, §50, is further amended to read:

33 AA. Certify transfers of multifamily affordable housing property that qualify for the
34 deduction under Title 36, section 5122, subsection 2, paragraph Z or Title 36, section
35 5200-A, subsection 2, paragraph Q. The affordability restrictions that apply under
36 this paragraph must be contained in a declaration signed by the transferee and
37 recorded in the appropriate registry of deeds at the time of the sale or transfer.

38 (1) For the purposes of this paragraph, "multifamily affordable housing
39 property" means a decent, safe and sanitary dwelling, apartment building or other
40 living accommodation that includes at least 6 units, that meets at least one of the

1 following affordability restrictions and for which those affordability restrictions,
2 as applicable, expire in 10 years or less from the date of the sale or transfer of the
3 property:

4 (a) At least 20% of the units have restricted rents affordable to households
5 earning no more than 80% of the area median income as determined by the
6 United States Department of Housing and Urban Development;

7 (b) The property is assisted by the United States Department of Housing and
8 Urban Development, the United States Department of Agriculture or the
9 Maine State Housing Authority; or

10 (c) The property qualifies for low-income housing credits under the United
11 States Internal Revenue Code of 1986, Section 42.

12 (2) For the purposes of this paragraph, property does not qualify as multifamily
13 affordable housing property unless:

14 (a) The transferee agrees to maintain the property as multifamily affordable
15 housing property for an additional 30 years from the scheduled expiration;

16 (b) If the existing federal, state or other assistance is not available to
17 maintain the property as multifamily affordable housing property, the
18 transferee agrees to ensure that 1/2 of the units are affordable to persons at
19 60% of the area median income as determined by the United States
20 Department of Housing and Urban Development for 30 years from the
21 expiration of the then-existing affordability restrictions; or

22 (c) The transferee agrees to an alternative affordability agreement approved
23 by the Maine State Housing Authority; ~~and~~

24 **Sec. C-2. 30-A MRSA §4722, sub-§1, ¶BB**, as enacted by PL 2007, c. 326, §3,
25 is amended to read:

26 BB. Make a loan, or contract with a financial institution to make a loan on behalf of
27 the Maine State Housing Authority, to pay off an existing loan or to pay amounts past
28 due on an existing loan on an owner-occupied single-family residence to assist a
29 homeowner who is in default of the existing loan or in danger of losing the residence
30 through foreclosure. Prior to receiving a loan under this paragraph, a homeowner
31 must receive counseling with a 3rd-party, nonprofit organization approved by the
32 United States Department of Housing and Urban Development, a housing financing
33 agency of this State or the regulatory agency that has jurisdiction over the creditor;
34 and

35 **Sec. C-3. 30-A MRSA §4722, sub-§1, ¶CC** is enacted to read:

36 CC. Administer a home energy audit program that provides low-interest loans to
37 homeowners to make home heating and energy efficiency upgrades.

38 **Sec. C-4. Issuance of bonds.** Pursuant to the Maine Revised Statutes, Title 30-A,
39 chapter 201, the Maine State Housing Authority shall issue bonds in an amount not to
40 exceed \$5,000,000 to establish a home energy audit program and provide low-interest

1 loans to homeowners in accordance with Title 30-A, section 4722, subsection 1,
2 paragraph CC.

3 **SUMMARY**

4 Part A of this bill accomplishes the following.

5 1. It incorporates into the Maine Revised Statutes rules adopted by the Public Utilities
6 Commission regarding standards for net energy billing, except that it credits the customer
7 for the excess kilowatt-hours and increases the maximum allowed energy to be produced
8 by private renewable energy facilities from 100 kilowatts to 2 megawatts.

9 2. It requires the Public Utilities Commission to develop statewide standards for the
10 interconnection of new homes' and businesses' renewable energy facilities with the
11 energy grid.

12 3. It requires the Public Utilities Commission to adopt rules to allow communities to
13 develop shared renewable energy facilities and to permit net energy billing to users
14 connected to the facility, regardless of the physical distance of the communities from the
15 facility.

16 Part B of this bill accomplishes the following.

17 1. It requires that, beginning January 1, 2009, any new construction of a commercial
18 or residential building must include the installation of a time-of-use meter designed to
19 monitor and record the amount of electricity used and the time of such use.

20 2. It requires the Public Utilities Commission to develop a proposal to implement the
21 statewide distribution of time-of-use meters to all consumers of electric energy in the
22 State by October 1, 2010.

23 3. It requires the Public Utilities Commission to develop a proposal to authorize
24 transmission and distribution utilities to charge time-of-use rates that vary depending on
25 whether the energy consumption occurs during peak load times or off-peak load times.
26 The proposal must include a provision that would allow the commission to grant a waiver
27 from the variable rate structure for certain households and businesses that cannot adjust
28 energy consumption around peak load times of day.

29 Part C of this bill accomplishes the following.

30 1. It authorizes the Maine State Housing Authority to issue bonds in an amount not
31 to exceed \$5,000,000 to establish a home energy audit program and to provide low-
32 interest loans to homeowners to make home heating and energy efficiency upgrades.