

# **MAINE STATE LEGISLATURE**

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*SMC*

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L.D. 1060

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Date: 3/3/14

(Filing No. H-*646*)

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*Majority*

## ENERGY, UTILITIES AND TECHNOLOGY

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### STATE OF MAINE

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### HOUSE OF REPRESENTATIVES

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### 126TH LEGISLATURE

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### SECOND REGULAR SESSION

9

COMMITTEE AMENDMENT "A" to H.P. 753, L.D. 1060, Bill, "An Act To Address Rising Electric Transmission Rates"

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

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#### **'An Act To Lower Electrical Costs through Transmission Alternatives and Renewable Sources'**

14

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

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**'Sec. 1. 35-A MRSA §3209-A,** as enacted by PL 2011, c. 262, §1, is amended to read:

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#### **§3209-A. Net energy billing**

19

The commission may adopt or amend rules governing net energy billing in accordance with this section. Rules adopted or amended under this subsection section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. "Net energy billing" means a billing and metering practice under which a customer is billed on the basis of net energy over the billing period taking into account accumulated unused kilowatt hour credits from the previous billing period.

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

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A. "Eligible facility" means an electric generating facility that uses a renewable fuel or technology as outlined in section 3210, subsection 2, paragraph C, subparagraph (2), divisions (a) to (h) or a micro-combined heat and power system as defined by the commission by rule.

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

1           **2. Rules.** Rules adopted under this section must include, but are not limited to,  
2 provisions that result in the following:

- 3           A. A customer of a transmission and distribution utility may elect net energy billing;  
4  
5           B. An eligible facility located in an investor-owned transmission and distribution  
6           utility territory may not have an installed capacity greater than one megawatt. An  
7           eligible facility located in a consumer-owned transmission and distribution utility  
8           territory may not have an installed capacity greater than 100 kilowatts unless the  
9           consumer-owned transmission and distribution utility elects to allow facilities with an  
installed capacity of up to one megawatt to be eligible for net energy billing; and  
10  
11          C. A customer of an investor-owned transmission and distribution utility must be  
12          compensated for any accumulated unused kilowatt-hour credits at the end of a  
13          12-month period at a rate that represents the value of wholesale electricity as  
14          determined by the commission by rule, except that the commission may adjust the  
15          amount disbursed to a customer under this paragraph in order to offset the costs to the  
16          transmission and distribution utility to meet the requirements of this paragraph. A  
17          consumer-owned transmission and distribution utility may elect to compensate a  
18          customer for any accumulated unused kilowatt-hour credits at the end of a 12-month  
period in accordance with this paragraph.

19           **Sec. 2. Report.** The Public Utilities Commission, referred to in this section as "the  
20           commission," in consultation with the State's investor-owned transmission and  
21           distribution utilities, the Efficiency Maine Trust and others shall submit a report to the  
22           joint standing committee of the Legislature having jurisdiction over energy and utilities  
23           matters by January 7, 2015. The purpose of the report is to identify areas of stress or areas  
24           with reliability deficiencies in the transmission and distribution system, including all  
25           transmission, subtransmission and distribution system upgrades and investments subject  
26           to state jurisdiction, as early as possible in order to allow sufficient time to plan and  
27           implement more cost-effective alternatives to building or upgrading distribution lines to  
28           meet reliability needs. In the report, the commission shall:

- 29           1. Identify, using a 10-year projection, existing and potential areas of stress or  
30           reliability deficiencies of the State's investor-owned transmission and distribution utilities'  
31           transmission and distribution systems by location within this State and display those areas  
32           on one or more maps;
- 33           2. Prioritize the areas of stress or reliability deficiencies identified in subsection 1  
34           based on estimates of the times and circumstances under which these areas would require  
35           transmission, subtransmission or distribution system build-out or upgrades in absence of  
36           further action;
- 37           3. Describe the likely manner of resolving the deficiencies in areas prioritized in  
38           subsection 2 through transmission, subtransmission or distribution system build-out or  
39           upgrades, including the likely costs;
- 40           4. Describe under which circumstances distributed generation, demand response,  
41           energy efficiency or other nondistribution strategies or nontransmission strategies might  
42           address the deficiencies at a lower cost than the costs identified in subsection 3;

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5. Recommend an appropriate year for the existing and potential areas of stress or reliability deficiencies in this State to be reevaluated; and

6. Provide any other information or recommendations the commission considers relevant to policy decisions related to using distributed generation, demand response, energy efficiency or other nondistribution alternatives or nontransmission strategies to address potential areas of stress or reliability deficiencies in transmission, subtransmission or distribution systems in this State.

The joint standing committee of the Legislature having jurisdiction over energy and utilities matters may report out a bill related to the subject matter of the report to the First Regular Session of the 127th Legislature.'

## SUMMARY

This amendment is the majority report of the Joint Standing Committee on Energy, Utilities and Technology. This amendment strikes and replaces the bill. This amendment increases the capacity limit of eligible facilities under the net energy billing program from 660 kilowatts to one megawatt. This amendment directs the Public Utilities Commission to adopt rules requiring investor-owned transmission and distribution utilities to compensate customers that generate accumulated unused kilowatt-hour credits under the net energy billing program at a value that represents the wholesale value of electricity. The amendment further directs the Public Utilities Commission in consultation with the State's investor-owned transmission and distribution utilities, the Efficiency Maine Trust and others to submit a report to the joint standing committee of the Legislature having jurisdiction over energy and utilities matters by January 7, 2015. The purpose of the report is to identify areas of stress or reliability deficiencies in the transmission and distribution system as early as possible in order to allow sufficient time to plan and implement more cost-effective alternatives to building or upgrading distribution lines to meet reliability needs.

**FISCAL NOTE REQUIRED**  
**(See attached)**



## 126th MAINE LEGISLATURE

LD 1060

LR 1120(02)

### An Act To Address Rising Electric Transmission Rates

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

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

*(H-646)*

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### Fiscal Note

Current biennium cost increase - Other Special Revenue Funds

#### Fiscal Detail and Notes

The bill requires the Public Utilities Commission (PUC) to engage in rulemaking involving net energy billing. The PUC, in consultation with Efficiency Maine Trust and others, must also submit a report to the Legislature on the needs of the transmission and distribution system. The PUC and Efficiency Maine Trust have adequate available resources for expenses related to these required activities.