

MAINE STATE LEGISLATURE

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SMC
ROEB

L.D. 946

Date: 6/9/15

(Filing No. H-369)

ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
127TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 649, L.D. 946, Bill, "An Act To Change Laws Amended by Public Law 2013, Chapter 369, Also Known as the Omnibus Energy Act"

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

'Resolve, To Establish a Moratorium on the Assessment of Large Volume Consumers by Gas Utilities and To Evaluate Cost-effective Natural Gas Conservation and Efficiency Improvements for Large Volume Consumers'

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

Preamble. Whereas, the Legislature, with Public Law 2013, chapter 369, established an expanded natural gas conservation program for consumers during the First Regular Session of the 126th Legislature; and

Whereas, all consumers benefit from investing in cost-effective energy efficiency projects and from other utility consumers investing in such projects; and

Whereas, questions have arisen during the planning for implementation of the expanded program regarding the most effective way of achieving energy efficiency for the largest consumers of Maine's natural gas utilities; and

Whereas, the largest of Maine's natural gas consumers use significantly greater volumes of natural gas than other consumers; and such uses include electricity generation and industrial process applications; and many of these consumers have only recently converted to, or invested in equipment for use of, natural gas; now, therefore, be it

Sec. 1. Moratorium on assessments by gas utilities of large volume consumers. Resolved: That, notwithstanding the Maine Revised Statutes, Title 35-A, section 10111, until 90 days after the adjournment of the Second Regular Session of the 127th Legislature:

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1 1. Large volume consumers of a gas utility are not eligible to participate in any
2 Efficiency Maine Trust natural gas conservation programs;

3 2. The Public Utilities Commission may not allow a gas utility to collect an
4 assessment under Title 35-A, section 10111 through its rates from large volume
5 consumers and may not make a final decision regarding the appropriateness of or size of
6 such collections from large volume consumers; and

7 3. The commission may not order or authorize a gas utility assessed under Title
8 35-A, section 10111 to exempt any consumers other than large volume consumers from
9 the collection of that assessment through its rates.

10 Notwithstanding Title 35-A, section 10111, prior to 90 days after the adjournment of
11 the Second Regular Session of the 127th Legislature, any assessment by the commission
12 under Title 35-A, section 10111 must be in an amount necessary to capture all cost-
13 effective energy efficiency that is achievable and reliable only for consumers who are
14 eligible under this section to receive funds from the natural gas conservation fund.

15 For the purposes of this section, "large volume consumer" means a consumer of a gas
16 utility that uses 1,000,000 centum cubic feet or more of natural gas per year; and be it
17 further

18 **Sec. 2. Stakeholder discussions. Resolved:** That the Efficiency Maine Trust
19 shall, using existing resources, meet with representatives of large volume consumers of
20 gas utilities, as defined in section 1, and other interested stakeholders to examine
21 alternatives for promoting and securing cost-effective natural gas conservation and
22 efficiency improvements for large volume consumers of gas utilities. The trust shall
23 submit a report of these meetings, together with any recommendations, by December 31,
24 2015 to the Joint Standing Committee on Energy, Utilities and Technology, which may
25 report out a bill to the Second Regular Session of the 127th Legislature.'

SUMMARY

26
27 This amendment replaces the bill with a resolve. The amendment establishes a
28 moratorium on assessments for large volume consumers by gas utilities until 90 days
29 after the adjournment of the Second Regular Session of the 127th Legislature. This
30 amendment specifies that the Public Utilities Commission may not allow a natural gas
31 utility to collect an assessment under the Maine Revised Statutes, Title 35-A, section
32 10111 through its rates from large volume consumers and may not make a final decision
33 regarding the appropriateness of or size of such collections from large volume consumers.
34 The amendment specifies that the Public Utilities Commission may not order or authorize
35 a natural gas utility to exempt from collection of an assessment through its rates any
36 consumers other than large volume consumers. The amendment specifies that, during
37 this same time period, large volume consumers are not eligible to participate in any
38 Efficiency Maine Trust natural gas conservation programs. This amendment also ensures
39 that, during this period, notwithstanding Title 35-A, section 10111, any assessment by the
40 commission must be in an amount necessary to capture all cost-effective energy
41 efficiency that is achievable and reliable only for consumers who are eligible to receive
42 funds from the natural gas conservation fund. This amendment defines a large volume

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1 consumer as a consumer using 1,000,000 centum cubic feet or more of natural gas per
2 year.

3 This amendment also directs the Efficiency Maine Trust to meet with large volume
4 consumers of gas utilities and other interested stakeholders to examine alternatives for
5 promoting and securing cost-effective natural gas conservation and efficiency
6 improvements for large volume consumers of gas utilities. This amendment directs the
7 trust to report the results of these meetings, along with recommendations, to the Joint
8 Standing Committee on Energy, Utilities and Technology by December 31, 2015. The
9 committee is authorized to report out a bill to the Second Regular Session of the 127th
10 Legislature.

11 **FISCAL NOTE REQUIRED**

12 (See attached)

COMMITTEE AMENDMENT



127th MAINE LEGISLATURE

LD 946

LR 1241(02)

An Act To Change Laws Amended by Public Law 2013, Chapter 369, Also Known as the Omnibus Energy Act

Fiscal Note for Bill as Amended by Committee Amendment *A" (H-369)*

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

Potential current biennium revenue decrease - Other Special Revenue Funds

Fiscal Detail and Notes

The bill requires that the Public Utilities Commission (PUC) not assess any large volume customer of a gas utility or make any final decision regarding the appropriateness or size of assessments on large volume customers until 90 days after adjournment of the Second Regular Session of the 127th Legislature in fiscal year 2016-17. There is a pending proceeding at the PUC dealing with Efficiency Maine Trust's (EMT) triennial plan and the issue of whether to assess these large volume customers is being decided. Large volume customers are not currently being assessed by the PUC. Any revenue, if they were to be assessed, would be transferred to EMT by the PUC. No estimate is made at this time on whether and at what rate they would be assessed. Any additional costs to EMT to meet with representatives of large volume customers and other interested stakeholders are expected to be minor and can be absorbed within existing budgeted resources.