L.D. 1313

Date: 6/6/17 (Filing No. H-429)

ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE

HOUSE OF REPRESENTATIVES

128TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 910, L.D. 1313, Bill, "An Act To Establish Energy Policy in Maine"

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

'**Sec. 1. 35-A MRSA §10109, sub-§3-A,** as enacted by PL 2015, c. 498, §1, is amended to read:

3-A. Payments. The trust shall transfer funds, to the extent funds are available, to the commission ~~$3,000,000 per~~ each year during fiscal years ~~2016-17,~~ 2017-18 ~~and~~, 2018-19 and 2019-20 in accordance with this subsection to be used by the commission for disbursements to affected customers. ~~Affected customers who use~~ An affected customer who uses the entire disbursement received by that customer toward an efficiency measure approved by the trust in the fiscal year in which it is received must receive $1 of assistance from the trust for every $3 of the disbursement plus any additional customer funds that ~~is~~ are applied by the affected customer toward the cost of the approved efficiency measure as long as the total of assistance from the trust and the disbursement allocated by the commission under this subsection for that customer for that fiscal year does not exceed 65% of the total measure cost.

For the purposes of this subsection, "affected customer" means a customer who is not primarily in the business of selling electricity, is receiving service at a transmission or subtransmission voltage level as defined in section 10110, subsection 6 within the electrical utility transmission system administered by an independent system operator of the New England bulk power system or a successor organization and is an energy-intensive manufacturer, as defined in reports prepared by the U.S. Energy Information Administration. The commission may also determine that a manufacturer not defined as an energy-intensive manufacturer in reports prepared by the U.S. Energy Information Administration is an affected customer if that manufacturer meets the other requirements of the definition under this subsection.

A. ~~No later than November 1st of each applicable fiscal year, the~~ The commission shall direct funds ~~totaling $3,000,000 per year during fiscal years 2016-17, 2017-18~~

~~and 2018-19~~ to be disbursed quarterly during fiscal years 2017-18, 2018-19 and 2019-20 for the benefit of affected customers in proportion to their retail purchase of electricity as measured in kilowatt-hours for the prior calendar year. The total amount to be disbursed from the fund, to the extent those funds are available, must be $2,500,000 in fiscal year 2017-18, $2,500,000 in fiscal year 2018-19 and $1,000,000 in fiscal year 2019-20.

B. During fiscal years ~~2016-17,~~ 2017-18 ~~and~~, 2018-19~~,~~ and 2019-20, an affected customer who receives a disbursement under this subsection is not eligible to receive financial or other assistance from the trust fund established in this section except as allowed under this subsection. This ineligibility does not apply to any trust program opportunity notices issued before July 1, 2016 or to any affected customer that elects in writing to the commission prior to October 1, 2017 to not receive a disbursement under this subsection for the full period of fiscal years 2017-18 to 2019-20. The commission shall reduce the total amount to be disbursed under paragraph A as necessary to reflect the share of load represented by affected customers electing to opt out.

C. The commission shall include in its annual report pursuant to section 120, subsection 7 to the joint standing committee of the Legislature having jurisdiction over public utilities matters a description of the commission's activities in carrying out the requirements of this subsection, a list of affected customers receiving disbursements, a list of those who elected to use the disbursements toward efficiency measures and the results of the activities under this subsection.

Sec. 2. 35-A MRSA §10109, sub-§4, ¶A, as amended by PL 2015, c. 498, §2, is further amended to read:

A. The trust shall allocate 50% of the funds for residential programs and 50% for commercial and industrial programs. Trust funds must be allocated for measures, investments, loans, technical assistance and arrangements that reduce electricity consumption, increase energy efficiency or reduce greenhouse gas emissions and lower energy costs at commercial or industrial facilities and for investment in measures that lower residential heating energy demand and reduce greenhouse gas emissions. The measures that lower residential heating demand must be fuel-neutral and may include, but are not limited to, energy efficiency improvements to residential buildings and upgrades to efficient heating systems that will reduce residential energy costs and greenhouse gas emissions, as determined by the board. The trust shall ensure that measures to reduce the cost of residential heating are available for low-income households as defined by the trust. When promoting electricity cost and consumption reduction, the trust may consider measures at commercial and industrial facilities that also lower peak capacity demand. Subject to the apportionment pursuant to this subsection, the trust shall fund conservation programs that give priority to measures with the highest benefit-to-cost ratio, as long as cost-effective collateral efficiency opportunities are not lost, and that:

(1) Reliably reduce greenhouse gas production and heating energy costs by fossil fuel combustion in the State at the lowest cost in funds from the trust fund per unit of emissions; or

(2) Reliably increase the efficiency with which energy in the State is consumed at the lowest cost in funds from the trust fund per unit of energy saved.

Notwithstanding this paragraph, during fiscal years 2017-18 to 2019-20, the trust is not required to allocate 50% of the funds to residential programs and 50% of the funds to commercial and industrial programs and may instead allocate those funds to programs at the trust's discretion.

Sec. 3. 35-A MRSA §10111, sub-§2, as amended by PL 2015, c. 425, §1, is further amended to read:

2. Funding level. The natural gas conservation fund, which is a nonlapsing fund, is established to carry out the purposes of this section. The commission shall assess each gas utility, in accordance with the triennial plan, an amount necessary to capture all cost-effective energy efficiency that is achievable and reliable for those consumers who are eligible to receive funds from the natural gas conservation fund. The commission shall direct a gas utility that collects any portion of the assessment under this subsection from a customer that is a large-volume manufacturer to collect the assessment only on the first 1,000,000 centum cubic feet of natural gas used by that manufacturer in each year. The limitation on the collection of the assessment from large-volume manufacturers may not affect the trust's determination of the amount necessary to capture all cost-effective energy efficiency that is achievable and reliable. The limitation does not limit the eligibility of a large-volume manufacturer to participate in a natural gas conservation program. All amounts collected under this subsection must be transferred to the natural gas conservation fund. Any interest on funds in the fund must be credited to the fund. Funds not spent in any fiscal year remain in the fund to be used for the purposes of this section.

The assessments charged to gas utilities under this section are just and reasonable costs for rate-making purposes and must be reflected in the rates of gas utilities.

All funds collected pursuant to this section are collected under the authority and for the purposes of this section and are deemed to be held in trust for the purposes of benefiting natural gas consumers served by the gas utilities assessed under this subsection. In the event funds are not expended or contracted for expenditure within 2 years of being collected from consumers, the commission shall ensure that the value of those funds is returned to consumers.

For purposes of this subsection, "large-volume manufacturer" means a customer that is a gas utility ratepayer engaged in manufacturing in the State and purchases at least 1,000,000 centum cubic feet of natural gas per year.

Rules adopted by the commission under this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.'

SUMMARY

This amendment replaces the bill. It requires the Efficiency Maine Trust to transfer $2,500,000 in fiscal year 2017-18, $2,500,000 in fiscal year 2018-19 and $1,000,000 in fiscal year 2019-20 from the Regional Greenhouse Gas Initiative Trust Fund to the Public Utilities Commission to disburse to certain energy-intensive manufacturers defined in

statute as affected customers. The amendment clarifies that disbursements to affected customers are to be made on a quarterly basis. It allows an affected customer to elect not to receive a disbursement for fiscal years 2017-18 to 2019-20, which would make that customer eligible to receive financial or other assistance from the Efficiency Maine Trust from the Regional Greenhouse Gas Initiative Trust Fund. It provides the Efficiency Maine Trust with discretion in directing remaining regional greenhouse gas initiative funds to programs, instead of being required to allocate 50% of those funds to residential programs and 50% of those funds to commercial and industrial programs. Lastly, it limits the assessment under the natural gas conservation program on a large-volume manufacturer to be allowed only on the first 1,000,000 centum cubic feet of natural gas used by that manufacturer in each year, but specifies that this limitation does not limit the ability of a large-volume manufacturer from participating in a natural gas conservation program and it does not affect the determination of the trust on the total amount necessary to capture all cost-effective energy efficiency that is achievable and reliable.

FISCAL NOTE REQUIRED

(See attached)

Approved: 06/02/17 mac

128th MAINE LEGISLATURE

LD 1313 **LR 152(02)**

An Act To Establish Energy Policy in Maine

Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-429)
Committee: Energy, Utilities and Technology
Fiscal Note Required: Yes

Fiscal Note

Transfer from Efficiency Maine Trust

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Transfers				
Other Special Revenue Funds	($500,000)	($500,000)	$1,000,000	$0

Fiscal Detail and Notes

Under current law $3,000,000 is scheduled for transfer from the Regional Greenhouse Gas Initiative Trust Fund (RGGI) to the Public Utilities Commission in fiscal years 2017-18 and 2018-19. This bill reduces those transfers by $500,000 to $2,500,000 in both fiscal years and adds a transfer of $1,000,000 in fiscal year 2019-20. This bill also gives the Efficiency Maine Trust discretion in fiscal years 2017-18 through 2019-20 to set the ratio of expenditures between residential programs and commercial and industrial programs instead of a set percentage. The bill also limits the natural gas conservation assessment on large-volume manufacturers to the first 1 million centum cubic feet of annual usage. While this change will decrease revenue to the Trust from this assessment, the total assessment will still be sufficient for its intended purpose.