

# MAINE STATE LEGISLATURE

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L.D. 1444

Date: 2/13/2018 Minority

(Filing No. S- 360)

**ENERGY, UTILITIES AND TECHNOLOGY**

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE**

**SENATE**

**128TH LEGISLATURE**

**SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "B" to S.P. 499, L.D. 1444, Bill, "An Act Regarding Large-scale Community Solar Procurement"

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

**'An Act To Replace Net Energy Billing with a Market-based Mechanism'**

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

**'Sec. 1. 35-A MRSA §3209-A**, as corrected by RR 2017, c. 1, §32, is repealed and the following enacted in its place:

**§3209-A. Net energy billing**

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

A. "Eligible customer" means a person or an entity that takes electricity service through a transmission and distribution utility and that owns or has an interest in an eligible facility located in that transmission and distribution utility's service territory.

B. "Eligible facility" means an electric generating facility that meets eligibility requirements established by the commission by rule.

C. "Gross output" means all of the energy generated by an eligible facility during an applicable period, including all energy that is used to offset the usage of eligible customers.

D. "Net energy" means the difference between the kilowatt-hours delivered by the transmission and distribution utility to an eligible customer over a billing period and the kilowatt-hours exported by the customer from an eligible facility to the transmission and distribution utility over the same billing period.

E. "Net energy billing" means a billing and metering practice under which customers are billed on the basis of net energy.

**COMMITTEE AMENDMENT**

1 F. "Shared interest" means an interest in an eligible facility shared by multiple  
2 eligible customers that have distinct billing accounts with a transmission and  
3 distribution utility.

4 2. Net energy billing. A person that is an eligible customer as of December 31, 2018  
5 may elect net energy billing for the customer's accounts or meters in accordance with the  
6 following.

7 A. An eligible customer whose eligible facility is placed in service by December 31,  
8 2018 must be allowed to use net energy billing until December 31, 2033.

9 B. A transmission and distribution utility may not require an eligible customer to  
10 meter the gross output of an eligible facility in order to participate in net energy  
11 billing.

12 C. The number of eligible customers that participate in a single shared interest in an  
13 eligible facility or the number of meters associated with a single shared interest in an  
14 eligible facility may not exceed 50, except that the number of eligible customers or  
15 meters is limited to 10 for a shared interest in an eligible facility located in the service  
16 territory of a transmission and distribution utility located in an area administered by  
17 the independent system administrator for northern Maine or any successor of the  
18 independent system administrator for northern Maine unless the commission  
19 determines that the utility's billing system can accommodate more than 10 accounts  
20 or meters for the purpose of net energy billing.

21 D. No new net energy billing arrangements may be entered into after December 31,  
22 2018.

23 3. Rules. The commission may adopt or amend rules governing net energy billing to  
24 implement this section. Rules adopted or amended under this section are routine technical  
25 rules as defined in Title 5, chapter 375, subchapter 2-A.

26 **Sec. 2. 35-A MRSA §3209-B** is enacted to read:

27 **§3209-B. Market-based crediting system**

28 The commission shall create a market-based crediting system for energy generated by  
29 an eligible facility.

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

32 A. "Eligible customer" means a person or an entity that takes electricity service  
33 through a transmission and distribution utility and that owns or has an interest in an  
34 eligible facility located in that transmission and distribution utility's service territory.

35 B. "Eligible facility" means an electric generating facility, regardless of capacity,  
36 that meets noncapacity-related eligibility requirements established by the commission  
37 by rule.

38 C. "Gross output" means all of the energy generated by an eligible facility during an  
39 applicable period, including all energy that is used to offset the usage of eligible  
40 customers.

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D. "Shared interest" means an interest in an eligible facility shared by multiple eligible customers that have distinct billing accounts with a transmission and distribution utility.

2. Calculation of rates. In accordance with rules adopted pursuant to this section, an eligible customer must receive a monetary credit for energy generated by an eligible facility in excess of the customer's usage and exported to the grid at the real-time wholesale market price of that energy, including the renewable energy credit value of the energy and capacity value, if such value can be monetized. The commission shall designate an entity located within each transmission and distribution service territory to purchase any electricity available from any eligible facility. The transmission and distribution utility serving the eligible customer shall administer the transaction between the eligible customer and the entity that purchases the electricity and shall aggregate and sell any renewable energy credits on behalf of the eligible customer.

A negative wholesale electricity price may not be used to calculate a bill credit under this section.

3. Prohibition on gross output. A transmission and distribution utility may not require a customer to meter the gross output of an eligible facility in order to participate in the crediting system under this section.

4. Limit on accounts. The number of eligible customers that participate in a single shared interest in an eligible facility or the number of meters associated with a single shared interest in an eligible facility may not exceed 50.

5. Exemption. This section does not apply to a transmission and distribution utility located in an area administered by the independent system administrator for northern Maine or any successor of the independent system administrator for northern Maine until such time as the commission determines the utility's billing system can perform the necessary functions to implement this section. The commission, as part of its rulemaking to implement this section, shall consider whether an alternative system could reasonably be developed for northern Maine in the interim period before the utility's billing system is modified to allow a market-based crediting system.

6. Rules. The commission shall adopt and amend rules as necessary to implement this section. Rules adopted or amended pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**Sec. 3. Community solar procurement.** The Public Utilities Commission shall procure, to the maximum extent possible, 20 megawatts of large-scale community solar distributed generation resources in accordance with the Maine Revised Statutes, Title 35-A, section 3210-C by September 30, 2018. The long-term contract rate must be calculated annually, and no long-term contract entered into under this section may be for more than 6¢ per kilowatt-hour or the average wholesale electricity rate over the preceding 12 months, whichever is less. For purposes of this section, "large-scale community solar distributed generation resource" means a solar distributed generation resource with a nameplate capacity of greater than 660 kilowatts.

**Sec. 4. Report.** The Public Utilities Commission shall conduct an analysis of the costs and benefits to ratepayers for both net energy billing under the Maine Revised Statutes, Title 35-A, section 3209-A and the market-based crediting system in Title 35-A,

# COMMITTEE AMENDMENT

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1 section 3209-B in an adjudicatory proceeding. The analysis must at a minimum look at  
2 costs and benefits over a 10-year period and a 25-year period. Upon conclusion of this  
3 proceeding, but no later than March 1, 2019, the Public Utilities Commission shall submit  
4 a report to the joint standing committee of the Legislature having jurisdiction over  
5 utilities and energy matters that includes the results of this proceeding. The Public  
6 Utilities Commission shall also explore rate design options that would be in the best  
7 interest of ratepayers and support the long-term, sustainable development of distributed  
8 generation.

9 **Sec. 5. Rules.** The Public Utilities Commission shall amend its net energy billing  
10 rules to be consistent with the Maine Revised Statutes, Title 35-A, section 3209-A by  
11 September 1, 2018. The Public Utilities Commission shall adopt rules pursuant to Title  
12 35-A, section 3209-B by December 31, 2018.<sup>1</sup>

13 **SUMMARY**

14 This amendment is the minority report of the committee, and it replaces the bill and  
15 changes the title. It does the following regarding net energy billing.

16 1. It allows an eligible customer to elect net energy billing until December 31, 2018,  
17 after which time no new net energy billing arrangements may be allowed.

18 2. It allows net energy billing arrangements entered into prior to January 1, 2019 to  
19 remain in effect until December 31, 2033.

20 3. It prohibits a transmission and distribution utility from requiring a customer to  
21 meter the gross output of an eligible facility in order to participate in net energy billing.

22 4. It limits to 50 the number of eligible customers that may participate in a single  
23 shared interest in an eligible facility or the number of meters associated with a single  
24 shared interest, except in the service territory of a transmission and distribution utility  
25 located in an area administered by the independent system administrator for northern  
26 Maine.

27 The amendment establishes a market-based crediting system for energy generated by  
28 eligible facilities. It requires the Public Utilities Commission to adopt rules to allow an  
29 eligible customer to receive a monetary credit for energy generated by an eligible facility  
30 in excess of the customer's usage and exported to the grid at the real-time wholesale  
31 market price of that energy. As in the provisions relating to net energy billing, a  
32 transmission and distribution utility is prohibited from requiring a customer to meter the  
33 gross output of an eligible facility in order to participate in the crediting system, and the  
34 number of eligible customers that may participate in a single shared interest in an eligible  
35 facility, or the number of meters associated with a single shared interest, is limited to 50.  
36 The amendment exempts a transmission and distribution utility located in an area  
37 administered by the independent system administrator for northern Maine, or any  
38 successor of the independent system administrator for northern Maine, from using this  
39 crediting system until the Public Utilities Commission determines the utility's billing  
40 system can perform the necessary functions to implement the system. It requires the  
41 commission to consider whether an alternative system to the crediting system for northern  
42 Maine could be developed and utilized in the interim period before the utility's billing  
43 system is modified to allow a market-based crediting system.

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COMMITTEE AMENDMENT "B" to S.P. 499, L.D. 1444

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It requires the Public Utilities Commission to procure, to the maximum extent possible, 20 megawatts of large-scale community solar distributed generation resources. It requires that the contract rate be calculated annually and that no contract may be for more than 6¢ per kilowatt-hour or the average wholesale electricity rate over the preceding 12 months, whichever is less.

Lastly, it requires the Public Utilities Commission to conduct an analysis of the costs and benefits to ratepayers for both net energy billing and the market-based crediting system in an adjudicatory proceeding and to report those findings to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters no later than March 1, 2019.

**FISCAL NOTE REQUIRED**

(See attached)



Approved: 02/12/18 *MAC*

# 128th MAINE LEGISLATURE

LD 1444

LR 1425(04)

An Act Regarding Large-scale Community Solar Procurement

Fiscal Note for Bill as Amended by Committee Amendment "B" (S-360)

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

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## Fiscal Note

Minor cost increase - Other Special Revenue Funds

### Fiscal Detail and Notes

Any additional costs to the Public Utilities Commission as a result of modifications to the laws regarding net energy billing and requiring that the Commission report on certain aspects of net energy billing are anticipated to be minor and can be absorbed within existing budgeted resources.