

MAINE STATE LEGISLATURE

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DMG
R. & S.

Date: 4/2/2018 Majority

(Filing No. S-435)

ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE

SENATE

128TH LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 516, L.D. 1487, Bill, "An Act To Control Electricity Transmission Costs through the Development of Nontransmission Alternatives"

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

'An Act To Advance the Establishment of a Single, Independent Smart Grid Coordinator'

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

'Sec. 1. 35-A MRSA §3143, sub-§2, ¶D, as enacted by PL 2009, c. 539, §2, is amended to read:

D. The State currently lacks a comprehensive smart grid policy but faces critical decisions regarding the implementation of smart grid functions and associated infrastructure, technology and applications, and the commission and the Legislature will play central roles in making those decisions it is in the public interest to establish a single, independent smart grid coordinator; and

Sec. 2. Stakeholder group to evaluate options and prepare recommendations. The Office of the Public Advocate shall convene a stakeholder group to discuss and frame for legislative consideration options and recommendations for the efficient and effective functioning of a single, independent smart grid coordinator. The group shall address issues raised in the order dated December 15, 2017 and the examiners' report issued in the Public Utilities Commission's proceeding Docket No. 2016-00049 including, but not limited to:

1. The qualifications an entity should possess in order to qualify as a smart grid coordinator and the criteria the Public Utilities Commission should use in selecting a smart grid coordinator;

2. The approach to be employed regarding costs and incentives related to implementing the provisions of the Maine Revised Statutes, Title 35-A, section 3143 and

COMMITTEE AMENDMENT

1 considering nonwires alternatives in proposals made pursuant to Title 35-A, sections
2 3132 and 3132-A, including:

3 A. Addressing financial disincentives for transmission and distribution utilities to
4 promote smart grid functions, including recovering the costs of contracted nonwires
5 alternatives and the limitations, if any, on utilities owning generation assets as
6 nonwires alternatives under Title 35-A, section 3204, subsection 6; and

7 B. The financial incentives appropriate for the smart grid coordinator and how
8 operating costs of the smart grid coordinator should be recovered;

9 3. The roles of the Office of the Public Advocate, the Efficiency Maine Trust, as
10 established in Title 5, section 12004-G, subsection 10-C, and transmission and
11 distribution utilities in meeting the goals of Title 35-A, section 3143 while:

12 A. Ensuring independence in the analysis, procurement and dispatch of nonwires
13 alternatives; and

14 B. Minimizing redundancy in the functions of these parties and in the uses of
15 systems and operations that are paid for by ratepayers;

16 4. The specific process to ensure the efficient, timely review and approval of
17 traditional transmission and distribution projects and nonwires alternatives and the
18 process or approach to be employed in order for the Public Utilities Commission to retain
19 the appropriate authority over the procurement and operation of nonwires alternatives and
20 utility investment decisions; and

21 5. The additional legislative authority or directives needed to ensure the efficient and
22 effective establishment of a smart grid coordinator, promotion of the goals under Title
23 35-A, section 3143 and development of nonwires alternatives to achieve grid reliability at
24 the lowest cost to ratepayers.

25 The stakeholder group must be open to all interested parties. Reasonable costs to
26 facilitate the group must be determined by the Office of the Public Advocate and may be
27 paid from revenues received pursuant to Title 35-A, section 10109 by the Efficiency
28 Maine Trust.

29 The Office of the Public Advocate shall submit by February 1, 2019 a report that
30 summarizes the discussions and recommendations from the stakeholder group to the joint
31 standing committee of the Legislature having jurisdiction over energy and utility matters.
32 The committee may report out a bill based on the recommendations in the report to the
33 First Regular Session of the 129th Legislature.

34 **Sec. 3. Public Utilities Commission consideration of rate proposals.** Until
35 90 days after adjournment of the First Regular Session of the 129th Legislature, the
36 Public Utilities Commission may not implement any final decisions related to any rate
37 proposals received from any transmission and distribution utility pursuant to the
38 commission's order of December 15, 2017, in the Public Utilities Commission's Docket
39 No. 2016-00049, that puts wires and nonwires solutions on equal footing for rate-making
40 incentive purposes.¹

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SUMMARY

This amendment replaces the bill and changes the title. It amends the legislative findings provision of the laws regarding declaration of policy on smart grid infrastructure to state that it is in the public interest to establish a single, independent smart grid coordinator. It directs the Office of the Public Advocate to convene a stakeholder group to evaluate options and prepare recommendations for certain issues related to the efficient and effective implementation of smart grid policy, including addressing costs and financial incentives of transmission and distribution utilities and the smart grid coordinator and describing roles for the Public Advocate, Efficiency Maine Trust and transmission and distribution utilities with regard to nonwires alternatives and other smart grid functions. It also prohibits the Public Utilities Commission from implementing any final decisions related to rate proposals received pursuant to the commission's order of December 15, 2017 in the Public Utilities Commission's Docket No. 2016-00049 from any transmission and distribution utility until 90 days after adjournment of the First Regular Session of the 129th Legislature.

FISCAL NOTE REQUIRED

(See attached)



128th MAINE LEGISLATURE

LD 1487

LR 1688(02)

An Act To Control Electricity Transmission Costs through the Development of Nontransmission Alternatives

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-435)
Committee: Energy, Utilities and Technology
Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Office of the Public Advocate, Efficiency Maine Trust or the Public Utilities Commission resulting from their participation in a stakeholder process to develop recommendations for the establishment of an independent, smart grid coordinator are anticipated to be minor and can be absorbed within existing budgeted resources.