

# MAINE STATE LEGISLATURE

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# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 1487

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S.P. 516

In Senate, April 19, 2017

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

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Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Secretary of the Senate

Presented by Senator DION of Cumberland.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 35-A MRSA §3132, sub-§2-C, ¶B,** as amended by PL 2013, c. 369, Pt.  
3 C, §2, is further amended to read:

4 B. Justification for adoption of the route selected, including comparison with  
5 alternative routes that are environmentally, technically and economically practical;  
6 and

7 **Sec. 2. 35-A MRSA §3132, sub-§2-C, ¶C,** as amended by PL 2013, c. 369, Pt.  
8 C, §2, is repealed.

9 **Sec. 3. 35-A MRSA §3132, sub-§2-D** is enacted to read:

10 **2-D. Nontransmission alternatives.** Upon receipt of a petition for approval of a  
11 proposed transmission line, the commission shall direct the smart grid coordinator under  
12 section 3143 to develop a nontransmission alternative to the proposed transmission line.  
13 The costs incurred by the smart grid coordinator in developing the nontransmission  
14 alternative must be paid by the person submitting the petition for the transmission line.  
15 The nontransmission alternative must meet the same reliability standards as those  
16 required for the transmission line over the relevant planning period, and the smart grid  
17 coordinator must set forth the total projected costs of the nontransmission alternative over  
18 the effective life of the proposed transmission line. If the person proposing the  
19 transmission line is a transmission and distribution utility and the commission determines  
20 that it is in the public interest to proceed with the nontransmission alternative developed  
21 by the smart grid coordinator, the prudently incurred costs of the nontransmission  
22 alternative are just and reasonable for rate-making purposes.

23 **Sec. 4. 35-A MRSA §3132-A, sub-§1,** as enacted by PL 2013, c. 369, Pt. C, §8,  
24 is repealed and the following enacted in its place:

25 **1. Submission requirement.** A person that proposes to undertake a transmission  
26 project shall provide the commission with a description of the need for the proposed  
27 transmission project.

28 **Sec. 5. 35-A MRSA §3132-A, sub-§1-A** is enacted to read:

29 **1-A. Nontransmission alternatives.** Upon receipt of a request by a person to  
30 undertake a transmission project, the commission shall direct the smart grid coordinator  
31 under section 3143 to develop a nontransmission alternative to the transmission project.  
32 The costs incurred by the smart grid coordinator in developing the nontransmission  
33 alternative must be paid by the person seeking to undertake the transmission project. The  
34 nontransmission alternative must meet the same reliability standards as those required for  
35 the transmission project over the relevant planning period, and the smart grid coordinator  
36 must set forth the total projected costs of the nontransmission alternative over the  
37 effective life of the proposed transmission project. If the person proposing to undertake a  
38 transmission project is a transmission and distribution utility and the commission  
39 determines that it is in the public interest to proceed with the nontransmission alternative

1 developed by the smart grid coordinator, the prudently incurred costs of the  
2 nontransmission alternative are just and reasonable for rate-making purposes.

3 **Sec. 6. 35-A MRSA §3143, sub-§1, ¶B**, as enacted by PL 2009, c. 539, §2, is  
4 amended to read:

5 B. "Smart grid coordinator" means an entity, ~~authorized~~ appointed by the  
6 commission in accordance with subsection ~~§ 5-A~~, that manages access to smart grid  
7 functions and associated infrastructure, technology and applications within the  
8 service territory of a transmission and distribution utility.

9 **Sec. 7. 35-A MRSA §3143, sub-§5**, as enacted by PL 2009, c. 539, §2, is  
10 repealed.

11 **Sec. 8. 35-A MRSA §3143, sub-§5-A** is enacted to read:

12 **5-A. Smart grid coordinator; appointment by the Public Utilities Commission;**  
13 **qualifications; responsibilities.** The commission shall appoint at least one smart grid  
14 coordinator to serve all transmission and distribution utility service territories. A smart  
15 grid coordinator appointed under this subsection shall operate under a  
16 commission-approved contract with a transmission and distribution utility or in some  
17 other manner as approved by the commission. The smart grid coordinator:

18 A. Must be an entity incorporated in the State;

19 B. May not be a transmission and distribution utility located in the State or an  
20 affiliate of a transmission and distribution utility located in the State; and

21 C. Must have a demonstrated record of developing, operating and managing  
22 nontransmission alternatives.

23 The duties and responsibilities of the smart grid coordinator include the development,  
24 implementation, operation and management of nontransmission alternatives approved by  
25 the commission pursuant to sections 3132 and 3132-A and any other duties and  
26 responsibilities that are consistent with this section and rules established by the  
27 commission. Rules adopted pursuant to this subsection are routine technical rules as  
28 defined in Title 5, chapter 375, subchapter 2-A.

## 29 SUMMARY

30 This bill changes the requirement regarding the development, implementation,  
31 operation and management of nontransmission alternatives for proposed transmission  
32 lines and proposed transmission projects. This bill requires that a smart grid coordinator  
33 appointed by the Public Utilities Commission develop a nontransmission alternative to a  
34 proposed transmission line or proposed transmission project.

35 The bill provides that a smart grid coordinator must be an entity incorporated in the  
36 State; may not be a transmission and distribution utility located in the State or an affiliate  
37 of a transmission and distribution utility located in the State; and must have a  
38 demonstrated record of developing, operating and managing nontransmission alternatives.