

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

ME
H. of S.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34

L.D. 1181

Date: 6/3/19

(Filing No. H-431)

ENERGY, UTILITIES AND TECHNOLOGY

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 855, L.D. 1181, Bill, "An Act To Reduce Electricity Costs through Nonwires Alternatives"

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

Sec. 1. 35-A MRSA §102, sub-§13, as amended by PL 2009, c. 539, §1, is further amended to read:

13. Public utility. "Public utility" includes every gas utility, natural gas pipeline utility, transmission and distribution utility, telephone utility, water utility and ferry, as those terms are defined in this section, and each of those utilities is declared to be a public utility. "Public utility" does not include the operation of a radio paging service, as that term is defined in this section, or mobile telecommunications services unless only one entity or an affiliated interest of that entity, as defined in section 707, subsection 1, paragraph A, exclusively controls the use of the radio frequency spectrum assigned by the Federal Communications Commission to provide mobile service to the service area. ~~"Public utility" includes a smart grid coordinator as defined in section 3143, subsection 1, paragraph B.~~

Nothing in this subsection precludes:

- A. The jurisdiction, control and regulation by the commission pursuant to private and special act of the Legislature;
- B. The commission's jurisdiction and control over and regulation of a public utility that provides, in addition to other services, radio paging service or mobile telecommunications services;
- C. The commission's jurisdiction and control over and regulation of basic exchange telephone service offered by a provider of mobile telecommunications services if, after investigation and hearing, the commission determines that the provider is engaged in the provision of basic exchange telephone service; and

COMMITTEE AMENDMENT

1 D. Negotiations for, or negates agreements or arrangements existing on the effective
2 date of this paragraph relating to, rates, terms and conditions for interconnection
3 provided by a telephone utility to a company providing radio paging or mobile
4 telecommunications services.

5 **Sec. 2. 35-A MRSA §116, sub-§9** is enacted to read:

6 **9. Public Advocate special assessment.** Each investor-owned transmission and
7 distribution utility subject to assessment under this section is subject to an additional
8 annual assessment on its intrastate gross operating revenues to produce sufficient revenue
9 for expenditures of the Office of the Public Advocate for contracted services and
10 administrative costs associated with the nonwires alternative coordinator pursuant to
11 section 1701, subsection 2-A. Revenue produced from the assessments must be deposited
12 in the Public Advocate Regulatory Fund and used only for purposes specified in this
13 subsection.

14 **Sec. 3. 35-A MRSA §1701, sub-§2-A** is enacted to read:

15 **2-A. Nonwires alternative policy; coordinator; services.** The Public Advocate
16 shall contract with a person or entity, referred to in this subsection as "the nonwires
17 alternative coordinator," to provide services in accordance with this subsection. As used
18 in this subsection, "nonwires alternative" has the same meaning as in section 3131,
19 subsection 4-C. The nonwires alternative coordinator shall:

20 A. Review small transmission project and distribution project planning studies in
21 accordance with section 3132-B;

22 B. Investigate and make recommendations regarding nonwires alternatives to
23 proposed capital investments in the transmission and distribution system pursuant to
24 sections 3132, 3132-A and 3132-B and in accordance with section 3132-C;

25 C. Conduct benefit-cost analyses to evaluate the cost-effectiveness of nonwires
26 alternatives and make recommendations regarding nonwires alternatives and
27 procurement of recommended nonwires alternatives in accordance with sections
28 3132-C and 3132-D; and

29 D. Track the implementation of nonwires alternative projects in the State and issue
30 quarterly reports on the projects' progress, including project budgets, timelines, in-
31 service dates, costs incurred, operational savings and other benefits.

32 The nonwires alternative coordinator shall collaborate with the Efficiency Maine Trust,
33 transmission and distribution utilities and interested parties in performing the services
34 required by this subsection.

35 The Public Advocate shall include in its annual report required under section 1702,
36 subsection 6 information regarding the services provided by the nonwires alternative
37 coordinator.

38 **Sec. 4. 35-A MRSA §1701, sub-§3, ¶F,** as enacted by PL 1999, c. 259, §4, is
39 amended to read:

40 F. Special Assistant to the Public Advocate, salary range ~~20~~ 25.

41 **Sec. 5. 35-A MRSA §3131, sub-§§4-C and 4-D** are enacted to read:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

4-C. Nonwires alternative. "Nonwires alternative" means a nontransmission alternative or an infrastructure, technology or application that defers or reduces the need for capital investment in the transmission and distribution system and addresses system reliability needs proposed to be met by the transmission or distribution system investment.

4-D. Nonwires alternative coordinator. "Nonwires alternative coordinator" means the person or entity providing services under contract to the Office of the Public Advocate as described in section 1701, subsection 2-A.

Sec. 6. 35-A MRSA §3131, sub-§8 is enacted to read:

8. Cost-effective. "Cost-effective" means, with respect to nonwires alternatives, that benefits exceed costs, as determined by benefit-cost analysis conducted pursuant to section 3132-C, subsection 2.

Sec. 7. 35-A MRSA §3132, sub-§2-D, as enacted by PL 2017, c. 201, §4, is amended to read:

2-D. Nontransmission alternatives investigation; consideration. In considering whether to approve or disapprove all or portions of a proposed transmission line and associated infrastructure pursuant to subsection 5, the commission shall, for a transmission line proposed by an investor-owned transmission and distribution utility, consider the results and recommendations of an investigation by an independent 3rd party, which may be the commission or a contractor selected by the commission, of nontransmission alternatives to construction of the proposed transmission line. ~~The investigation must set forth the total projected costs of the transmission line as well as the total projected costs of the alternatives over the effective life of the proposed transmission line~~ the nonwires alternative coordinator conducted in accordance with section 3132-C.

Sec. 8. 35-A MRSA §3132, sub-§3, as amended by PL 2009, c. 123, §3, is further amended to read:

3. Transmission line rebuilding or relocation projects. Each transmission and distribution utility shall file annually with the commission and the Office of the Public Advocate, for review by the nonwires alternative coordinator, a schedule of transmission line rebuilding or relocation projects that it intends to carry out during the next 5 years concerning transmission lines that will become, or will remain at, voltages of 69 kilovolts or more. The schedule must describe each project, showing the length, location and estimated cost.

If the commission determines that an investigation of any transmission line rebuilding or relocation project is warranted, it shall notify the transmission and distribution utility within 60 days of the annual filing and the transmission and distribution utility is then required to comply with the provisions of this section with respect to that project. The absence of commission notification requiring the utility to file a petition does not preclude such notification in subsequent years.

Sec. 9. 35-A MRSA §3132, sub-§3-A, as amended by PL 2009, c. 123, §4, is further amended to read:

1 **3-A. Minor transmission line construction projects.** Each domestic transmission
 2 and distribution utility shall file annually with the commission and the Office of the
 3 Public Advocate, for review by the nonwires alternative coordinator, a schedule of minor
 4 transmission line construction projects that it intends to carry out during the next 5 years
 5 concerning transmission lines that will be capable of operating at 69 kilovolts or more. A
 6 minor transmission line construction project is a transmission line construction project the
 7 cost of which does not exceed 25% of the utility's current annual transmission property
 8 depreciation charge. The schedule must describe each project, showing the length,
 9 location and estimated cost.

10 If the commission determines that an investigation of any minor transmission line
 11 construction project is warranted, it shall notify the transmission and distribution utility
 12 within 60 days of the annual filing and the utility must then comply with the provisions of
 13 this section with respect to that project. The absence of commission notification
 14 requiring the utility to file a petition does not preclude such notification in subsequent
 15 years.

16 **Sec. 10. 35-A MRSA §3132, sub-§5,** as amended by PL 2013, c. 369, Pt. C, §4,
 17 is further amended to read:

18 **5. Commission approval of a proposed transmission line; nontransmission**
 19 **alternatives.** The commission may approve or disapprove all or portions of a proposed
 20 transmission line and shall make such orders regarding its character, size, installation and
 21 maintenance and regarding nontransmission alternatives to the proposed transmission line
 22 as are necessary, having regard for any increased costs caused by the orders. ~~The~~ In its
 23 review and consideration of nontransmission alternatives, as required by subsection 2-D,
 24 the commission shall give preference to the nontransmission alternatives that have been
 25 identified as able to address the identified need for the proposed transmission line at
 26 lower total cost to ratepayers in this State most cost-effectively. When the ~~costs to~~
 27 ~~ratepayers in this State~~ cost-effectiveness of the identified nontransmission alternatives
 28 are reasonably equal, the commission shall give preference to the alternatives that
 29 produce the lowest amount of local air emissions, including greenhouse gas emissions.

30 **Sec. 11. 35-A MRSA §3132, sub-§6,** as amended by PL 2013, c. 369, Pt. C, §5,
 31 is further amended to read:

32 **6. Commission order; certificate of public convenience and necessity.** In its
 33 order, the commission shall make specific findings with regard to the public need for the
 34 proposed transmission line. The commission shall make specific findings with regard to
 35 the likelihood that nontransmission alternatives can sufficiently address the identified
 36 public need over the effective life of the transmission line ~~at lower total cost~~ more cost-
 37 effectively. ~~Except as provided in subsection 6-A for a high impact electric transmission~~
 38 ~~line and in accordance with subsection 6-B regarding nontransmission alternatives, if~~ If
 39 the commission finds that a public need exists, after considering whether the need can be
 40 ~~economically and reliably~~ and more cost-effectively met using nontransmission
 41 alternatives, it shall issue a certificate of public convenience and necessity for the
 42 transmission line. In determining public need, the commission shall, at a minimum, take
 43 into account economics, reliability, public health and safety, scenic, historic and
 44 recreational values, state renewable energy generation goals, the proximity of the
 45 proposed transmission line to inhabited dwellings and nontransmission alternatives to

COMMITTEE AMENDMENT "A" to H.P. 855, L.D. 1181

1 construction of the transmission line, including energy conservation, distributed
 2 generation or load management. If the commission orders or allows the erection of the
 3 transmission line, the order is subject to all other provisions of law and the right of any
 4 other agency to approve the transmission line. The commission shall, as necessary and in
 5 accordance with subsections 7 and 8, consider the findings of the Department of
 6 Environmental Protection under Title 38, chapter 3, subchapter 1, article 6, with respect
 7 to the proposed transmission line and any modifications ordered by the Department of
 8 Environmental Protection to lessen the impact of the proposed transmission line on the
 9 environment. A person may submit a petition for and obtain approval of a proposed
 10 transmission line under this section before applying for approval under municipal
 11 ordinances adopted pursuant to Title 30-A, Part 2, Subpart 6-A; and Title 38, section
 12 438-A and, except as provided in subsection 4, before identifying a specific route or route
 13 options for the proposed transmission line. Except as provided in subsection 4, the
 14 commission may not consider the petition insufficient for failure to provide identification
 15 of a route or route options for the proposed transmission line. The issuance of a
 16 certificate of public convenience and necessity establishes that, as of the date of issuance
 17 of the certificate, the decision by the person to erect or construct was prudent. At the
 18 time of its issuance of a certificate of public convenience and necessity, the commission
 19 shall send to each municipality through which a proposed corridor or corridors for a
 20 transmission line extends a separate notice that the issuance of the certificate does not
 21 override, supersede or otherwise affect municipal authority to regulate the siting of the
 22 proposed transmission line. The commission may deny a certificate of public convenience
 23 and necessity for a transmission line upon a finding that the transmission line is
 24 reasonably likely to adversely affect any transmission and distribution utility or its
 25 customers.

26 **Sec. 12. 35-A MRSA §3132-A**, as amended by PL 2017, c. 201, §§5 and 6, is
 27 further amended to read:

28 **§3132-A. Construction of transmission projects prohibited without approval of the**
 29 **commission**

30 A person may not construct any transmission project without approval from the
 31 commission. For the purposes of this section, "transmission project" means any proposed
 32 transmission line and its associated infrastructure capable of operating at less than 69
 33 kilovolts and projected to cost in excess of ~~\$20,000,000~~ \$5,000,000.

34 **1. Submission requirement.** A person that proposes to undertake in the State a
 35 transmission project must provide the commission with a description of the need for the
 36 proposed transmission project.

37 **1-A. Nonwires alternatives investigation; consideration.** In considering whether
 38 to approve or disapprove all or portions of a proposed transmission project pursuant to
 39 subsection 2, the commission shall, for a transmission project proposed by an investor-
 40 owned transmission and distribution utility, consider the results and recommendations
 41 of an investigation by an independent 3rd party, which may be the commission or a
 42 contractor selected by the commission, of nontransmission alternatives to construction of
 43 the proposed transmission project the nonwires alternative coordinator conducted in
 44 accordance with section 3132-C. The investigation must set forth the total projected costs

1 of the transmission project as well as the total projected costs of the alternatives over the
2 effective life of the proposed transmission project.

3 **2. Commission approval of a proposed transmission project; nontransmission**
4 **alternatives.** In order for a transmission project to be approved, the commission must
5 consider whether the identified need over the effective life of the proposed transmission
6 project can be economically and reliably and more cost-effectively met using
7 nontransmission alternatives at a lower total cost. During In its review and consideration
8 of nontransmission alternatives, as required by subsection 1-A, the commission shall give
9 preference to nontransmission alternatives that are have been identified as able to address
10 the identified need for the proposed transmission project at lower total cost to ratepayers
11 most cost-effectively. ~~Of the identified nontransmission alternatives, the commission~~
12 ~~shall give preference to the lowest cost nontransmission alternatives.~~ When the costs to
13 ~~ratepayers~~ cost-effectiveness of the identified nontransmission alternatives are reasonably
14 equal, the commission shall give preference to the alternatives that produce the lowest
15 amount of local air emissions, including greenhouse gas emissions.

16 **3. Exception.** A transmission project that is constructed, owned and operated by a
17 generator of electricity solely for the purpose of electrically and physically
18 interconnecting the generator to the transmission system of a transmission and
19 distribution utility is not subject to this section.

20 **Sec. 13. 35-A MRSA §3132-B** is enacted to read:

21 **§3132-B. Small transmission and distribution projects**

22 For the purposes of this section, "small transmission project" means any proposed
23 transmission line and associated infrastructure capable of operating at less than 69
24 kilovolts and projected to cost \$5,000,000 or less.

25 **1. Planning study.** Each investor-owned transmission and distribution utility in this
26 State shall annually complete and submit to the Office of the Public Advocate, for review
27 by the nonwires alternative coordinator, a planning study for small transmission projects
28 and distribution projects. In completing the planning study, an investor-owned
29 transmission and distribution utility shall develop and use system planning models. The
30 study must:

31 A. Analyze system needs for the next 5 years and provide a schedule of proposed
32 projects and associated costs;

33 B. Describe system capacity and load by substation and circuit; and

34 C. Identify corresponding planned and anticipated growth-related investments.

35 After review of a planning study submitted under this subsection, the nonwires alternative
36 coordinator may provide comments or recommendations, which may include
37 recommendations to achieve the policy goals established in section 3143. An investor-
38 owned transmission and distribution utility may, at its discretion, incorporate
39 recommendations on a planning study made by the nonwires alternative coordinator.
40 Failure to incorporate recommendations made by the nonwires alternative coordinator
41 may not result in a presumption of imprudence.

1 2. Nonwires alternatives investigation. Except as provided in subsection 3, for a
2 proposed project presented in a planning study under subsection 1, the nonwires
3 alternative coordinator:

4 A. Shall investigate nonwires alternatives if the project is a small transmission
5 project or is a distribution project estimated to cost \$500,000 or more; and

6 B. May investigate nonwires alternatives if the project is a distribution project
7 estimated to cost less than \$500,000 and, in the judgment of the nonwires alternative
8 coordinator, there is a reasonable likelihood that a nonwires alternative would be
9 more cost-effective than the proposed distribution project.

10 An investigation of nonwires alternatives under this subsection must be conducted in
11 accordance with section 3132-C.

12 3. Excluded projects; criteria. The commission, by rule, shall develop criteria to
13 exclude from investigation by the nonwires alternative coordinator small transmission
14 projects and distribution projects best suited to transmission and distribution investments,
15 including but not limited to projects that are:

16 A. Necessary for redundant supply to a radial load;

17 B. Necessary to address maintenance, asset condition or safety needs;

18 C. Necessary to address stability or short circuit problems; or

19 D. Required to be in service within one year based on the controlling load forecast.

20 4. Nonwires alternatives recommendations. Based on the investigation under
21 subsection 2, the nonwires alternative coordinator shall make recommendations to the
22 investor-owned transmission and distribution utility regarding nonwires alternatives to
23 proposed small transmission projects and distribution projects. The nonwires alternative
24 coordinator and the utility shall attempt to reach a good faith agreement regarding the
25 adoption of nonwires alternatives that are most cost-effective. If agreement is reached,
26 the utility shall pursue the agreed-upon nonwires alternatives. If there is no agreement,
27 the utility shall petition the commission to resolve the dispute.

28 5. Dispute resolution. In responding to a petition by an investor-owned
29 transmission and distribution utility pursuant to subsection 4, the commission shall
30 review the planning study prepared under subsection 1 and the recommendations of the
31 nonwires alternative coordinator under subsection 4. In resolving the dispute, the
32 commission shall give preference to nonwires alternatives that are identified as able to
33 address the identified need for the proposed small transmission project or distribution
34 project and are most cost-effective. Of the identified nonwires alternatives, the
35 commission shall give preference to the lowest-cost nonwires alternatives. When the
36 costs to ratepayers in this State of the identified nonwires alternatives are reasonably
37 equal, the commission shall give preference to the nonwires alternatives that produce the
38 lowest amount of local air emissions, including greenhouse gas emissions.

39 **Sec. 14. 35-A MRS** §3132-C is enacted to read:

1 **§3132-C. Nonwires alternatives investigation and recommendations**

2 **1. Investigation required.** The nonwires alternative coordinator shall conduct an
3 investigation of and make recommendations regarding nonwires alternatives to a wires
4 project under section 3132, 3132-A or 3132-B in accordance with this section. The
5 investigation must be conducted in coordination with the Efficiency Maine Trust. For the
6 purposes of this section, "wires project" means a transmission line and associated
7 infrastructure subject to the requirements of section 3132, a transmission project as
8 defined in section 3132-A or a small transmission project or distribution project covered
9 by section 3132-B.

10 **2. Investigation methods; benefit-cost analysis.** An investigation under subsection
11 1 must set forth the total projected costs and annual carrying costs of the wires project
12 and the nonwires alternatives over the effective life of the wires project. The investigation
13 must include a benefit-cost analysis that evaluates the cost-effectiveness of nonwires
14 alternatives as compared to the wires project, under which:

15 A. Benefits and costs are measured in net present value;

16 B. Benefits reflect total, quantifiable avoided costs and are calculated from the
17 perspective of the investor-owned transmission and distribution utility and ratepayers,
18 including any deferral value; and

19 C. Costs are calculated from the perspective of the investor-owned transmission and
20 distribution utility. For a nonwires alternative, costs include the utility's cost of any
21 contracts required to deliver the nonwires alternative but do not include any ratepayer
22 contributions to the cost of the nonwires alternative.

23 **3. Data.** An investor-owned transmission and distribution utility shall provide data
24 requested by the Public Advocate or the Efficiency Maine Trust, subject to enforcement
25 by the commission, to allow the nonwires alternative coordinator, in conjunction with the
26 trust, to carry out investigation and analysis under this section. The trust shall use utility
27 ratepayer usage data to identify cost-effective nonwires alternatives on the customer side
28 of the meter. An investor-owned transmission and distribution utility may request a
29 protective order if necessary to protect the confidentiality of data provided under this
30 section in accordance with section 1311-A.

31 **4. Recommendations.** On the basis of the investigation under subsection 1, the
32 nonwires alternative coordinator shall develop and provide to the commission or to an
33 investor-owned transmission and distribution utility, as appropriate, recommendations
34 regarding cost-effective nonwires alternatives to the wires project, including a proposed
35 plan for procurement of the recommended nonwires alternatives. The proposed
36 procurement plan must be consistent with the provisions of section 3132-D.

37 **Sec. 15. 35-A MRSA §3132-D** is enacted to read:

38 **§3132-D. Nonwires alternatives procurement**

39 When the commission determines a nonwires alternative is appropriate under section
40 3132, 3132-A or 3132-B or an investor-owned transmission and distribution utility agrees
41 voluntarily to a nonwires alternative under section 3132-B, the utility shall procure the
42 nonwires alternative in accordance with this section.

1 1. Behind the meter alternatives. For a nonwires alternative on the customer side
2 of the meter, the investor-owned transmission and distribution utility shall contract with
3 the Efficiency Maine Trust to deliver the nonwires alternative through the trust's
4 programs.

5 2. Grid-side alternatives. For a nonwires alternative on the grid side of the meter,
6 the commission shall determine an entity, which may include but is not limited to the
7 investor-owned transmission and distribution utility or a 3rd party, to deliver the
8 nonwires alternative and shall make orders as necessary; except, when a utility
9 voluntarily agrees to a nonwires alternative on the grid side of the meter under section
10 3132-B, the utility shall determine the entity to deliver the nonwires alternative.

11 An investor-owned transmission and distribution utility's prudently incurred costs to
12 deliver nonwires alternatives directly or under contract with the Efficiency Maine Trust
13 or a 3rd party are recoverable in rates. For purposes of this section, prudently incurred
14 costs do not include a financial or performance incentive for the utility.

15 **Sec. 16. 35-A MRSA §3143, sub-§1,** as enacted by PL 2009, c. 539, §2, is
16 amended to read:

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

19 A. "Smart grid" means the integration of information and communications
20 innovations and infrastructure, including nonwires alternatives, with the electric
21 system to enhance the efficiency, reliability and functioning of the system through
22 smart grid functions.

23 ~~B. "Smart grid coordinator" means an entity, authorized by the commission in~~
24 ~~accordance with subsection 5, that manages access to smart grid functions and~~
25 ~~associated infrastructure, technology and applications within the service territory of a~~
26 ~~transmission and distribution utility.~~

27 C. "Smart grid functions" means those functions that advance the policy of the
28 United States as specified in the federal Energy Independence and Security Act of
29 2007, Public Law 110-140, Section 1301, including functions that enable consumers
30 to access information about and to manage and adjust their electricity consumption or
31 to generate and store electricity and functions specified in Section 1306(d) of that
32 Act.

33 **Sec. 17. 35-A MRSA §3143, sub-§2, ¶¶D and E,** as enacted by PL 2009, c.
34 539, §2, are amended to read:

35 D. The State currently lacks a comprehensive smart grid policy but faces critical
36 decisions regarding the implementation of smart grid functions and associated
37 infrastructure, technology and applications, and the commission and the Legislature
38 will play central roles in making those decisions; ~~and~~

39 E. It is vital that a smart grid policy be developed in order to ensure that all
40 ratepayers and the State as a whole are afforded the benefits of smart grid functions
41 and associated infrastructure, technology and applications; and

42 **Sec. 18. 35-A MRSA §3143, sub-§2, ¶F** is enacted to read:

1 F. It is in the public interest to establish a nonwires alternative coordinator for the
2 State.

3 **Sec. 19. 35-A MRSA §3143, sub-§5,** as enacted by PL 2009, c. 539, §2, is
4 repealed.

5 **Sec. 20. 35-A MRSA §3143, sub-§10,** as enacted by PL 2009, c. 539, §2, is
6 amended to read:

7 **10. Consumer education.** A If a transmission and distribution utility that or the
8 Efficiency Maine Trust implements smart grid functions, the utility or the trust shall, to
9 the extent the commission determines appropriate, provide information to customers
10 about the purpose and goals of smart grid functions, the ways in which smart grid
11 functions, including but not limited to time-of-use pricing, may involve customer
12 interaction and how the implementation of smart grid functions can benefit customers.

13 **Sec. 21. 35-A MRSA §10104, sub-§4, ¶G** is enacted to read:

14 G. In developing the triennial plan, or an annual update plan under subsection 6, the
15 trust may include, as part of its budget for electric efficiency and conservation
16 programs under section 10110, the costs of providing nonwires alternatives in
17 accordance with section 3132-D.

18 **Sec. 22. 35-A MRSA §10104, sub-§9,** as amended by PL 2017, c. 110, §34, is
19 further amended to read:

20 **9. Coordination with other entities.** Consistent with the requirements of this
21 chapter and other applicable laws, the board shall coordinate with the activities and
22 programs of state agencies and authorities that relate to the purposes of this chapter in
23 order to align such activities and programs with the plans and programs of the trust. For
24 purposes of this subsection, activities and programs of state agencies and authorities that
25 relate to the purposes of this chapter include but are not limited to energy efficiency
26 programs relating to state facilities administered by the Department of Administrative and
27 Financial Services, Bureau of General Services, the adoption, amendment and
28 maintenance of the Maine Uniform Building and Energy Code by the Technical Building
29 Codes and Standards Board, established in Title 5, section 12004-G, subsection 5-A
30 within the Department of Public Safety, energy efficiency or green energy workforce
31 development activities of the Department of Labor or the State Workforce Board and,
32 energy efficiency and weatherization programs administered by the Maine State Housing
33 Authority and the activities of the nonwires alternative coordinator established pursuant
34 to section 1701, subsection 2-A.

35 **Sec. 23. Appropriations and allocations.** The following appropriations and
36 allocations are made.

37 **EXECUTIVE DEPARTMENT**

38 **Public Advocate 0410**

39 Initiative: Provides allocations for the contracted services of a person or entity to serve as
40 a nonwires alternative coordinator.

1	OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
2	All Other	\$800,000	\$800,000
3			
4	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$800,000</u>	<u>\$800,000</u>

5 **Public Advocate 0410**

6 Initiative: Provides allocations for an increase in the salary range of the Special Assistant
7 to the Public Advocate from range 20 to range 25.

8	OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
9	Personal Services	\$3,039	\$4,052
10			
11	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$3,039</u>	<u>\$4,052</u>

12	EXECUTIVE DEPARTMENT		
13	DEPARTMENT TOTALS	2019-20	2020-21
14			
15	OTHER SPECIAL REVENUE FUNDS	\$803,039	\$804,052
16			
17	DEPARTMENT TOTAL - ALL FUNDS	<u>\$803,039</u>	<u>\$804,052</u>
18			

19 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
20 section number to read consecutively.

21 **SUMMARY**

22 This amendment strikes and replaces the bill and does the following.

23 1. It requires the Public Advocate to contract with a person or entity to serve as the
24 nonwires alternative coordinator.

25 2. It provides that funding of the contracted services of the nonwires alternative
26 coordinator is provided through a special assessment on investor-owned transmission and
27 distribution utilities.

28 3. It adjusts the salary range of the Special Assistant to the Public Advocate from
29 range 20 to range 25.

30 4. It amends the definition of "transmission project" to cover projects expected to
31 cost in excess of \$5,000,000, rather than those in excess of \$20,000,000 as in current law.

32 5. It amends the provisions relating to transmission lines and transmission projects
33 subject to investigation of nonwires alternatives in several ways. It limits the requirement
34 for a nonwires alternative investigation to apply to transmission lines and projects
35 proposed by investor-owned transmission and distribution utilities, rather than
36 transmission and distribution utilities in general. It also adds a category of small
37 transmission and distribution projects subject to nonwires alternatives investigation.



129th MAINE LEGISLATURE

LD 1181

LR 16(02)

An Act To Reduce Electricity Costs through Nonwires Alternatives

Fiscal Note for Bill as Amended by Committee Amendment *A(H-431)*

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Appropriations/Allocations				
Other Special Revenue Funds	\$803,039	\$804,052	\$804,165	\$804,281
Revenue				
Other Special Revenue Funds	\$803,039	\$804,052	\$804,165	\$804,281

Fiscal Detail and Notes

This bill authorizes the Office of the Public Advocate (OPA) to contract with a person or entity to serve as a nonwires alternative coordinator (NAC) and to collect an additional special assessment on the intrastate gross operating revenues of investor-owned transmission and distribution utilities to fund the costs associated with the NAC contract. The bill also defines the duties and scope of work for the NAC and includes nonwires alternatives consideration requirements in the rules regarding proposed transmission and distribution projects under the authority of the Public Utilities Commission. The bill also increases the salary of the Special Assistant to the Public Advocate position from salary range 20 to salary range 25. Based on previous costs for contacted services from consultants, the OPA estimates that the contract for a NAC will require additional allocations of \$800,000 annually beginning in fiscal year 2019-20. This bill also includes allocations of \$3,039 in fiscal year 2019-20 and \$4,052 in fiscal year 2020-21 for the salary range increase of the Special Assistant to the Public Advocate position.

Because the OPA is funded by an assessment set to produce sufficient revenue for the expenditures allocated by the Legislature for operating the OPA, any increased costs require a corresponding increase in revenue from the assessment on the intrastate gross operating revenues of utility and qualified telecommunications providers. Because this bill also allows an additional special assessment on investor-owned transmission and distribution utilities to fund the NAC, some investor-owned transmission and distribution utilities may incur additional costs as a result. These costs may be passed on to electric utility customers through scheduled rate cases. The amount of these costs cannot be determined at this time.