

# MAINE STATE LEGISLATURE

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Date: 4/18/22

(Filing No. S-528)

MAJORITY

ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE

SENATE

130TH LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 248, L.D. 634, "An Act To Cap the Value of Contracts for Renewable Resources and Distributed Generation Resources"

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

'An Act To Reduce Volatility in the Net Energy Billing Program'

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

'Sec. 1. 35-A MRSA §3209-A, sub-§7, ¶E, as enacted by PL 2021, c. 390, §1, is amended by amending subparagraph (1) to read:

(1) The proposed distributed generation resource must reach ~~commercial operation~~ mechanical completion by the date specified in the net energy billing agreement or by the date specified with an allowable modification to that agreement. For the purposes of this subparagraph, "mechanical completion" means that all mechanical and physical aspects of a distributed generation resource have been constructed and installed in accordance with design specifications such that the resource may commence commercial operation upon receipt of permission to operate from the utility.

Sec. 2. 35-A MRSA §3209-B, sub-§5, as enacted by PL 2019, c. 478, Pt. A, §4, is amended to read:

5. **Tariff rate; bill credits.** The commission shall establish by rule a tariff rate ~~rates~~ for customers participating in the program. The initial tariff rate must be established no later than December 1, 2019.

A. The tariff rate for customers participating in net energy billing with a distributed generation resource described in this paragraph must equal the ~~standard offer~~ standard-offer service rate established ~~under~~ pursuant to section 3212 that is applicable to the customer receiving the credit plus 75% of the effective transmission and distribution rate for the rate class that includes the smallest commercial customers of the investor-

COMMITTEE AMENDMENT

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- 1 owned transmission and distribution utility. The tariff rate under this paragraph applies  
2 to net energy billing with a distributed generation resource:
- 3 (1) With a nameplate capacity of greater than one megawatt if:
- 4 (a) The entity developing the distributed generation resource certifies by  
5 sworn affidavit with accompanying documentation to the commission that the  
6 entity, before September 1, 2022, commenced physical work of a significant  
7 nature, as described in Internal Revenue Service Notice 2013-29, Section 4.02,  
8 on the distributed generation resource and thereafter the entity has made and  
9 will continue to make continuous construction efforts, as described in Internal  
10 Revenue Service Notice 2013-29, Section 4.06, to advance toward completion  
11 of the distributed generation resource. The commission may share information  
12 contained in the affidavit submitted in accordance with this division with a  
13 transmission and distribution utility, as necessary, to verify a distributed  
14 generation resource's compliance with this division. The commission may  
15 require the entity that submits a sworn affidavit under this division to provide  
16 updated documentation to the commission 12 months after submission of the  
17 affidavit; or
- 18 (b) The distributed generation resource is collocated with a net energy billing  
19 customer that is or net energy billing customers that are subscribed to at least  
20 50% of the facility's output; or
- 21 (2) With a nameplate capacity of one megawatt or less.
- 22 A-1. The tariff rate for a customer participating in net energy billing under this section  
23 with a distributed generation resource not governed by paragraph A must:
- 24 (1) In 2022, equal the standard-offer service rate established pursuant to section  
25 3212 that was applicable to the rate class of the customer receiving the credit on  
26 December 31, 2020 plus 75% of the effective transmission and distribution rate  
27 that was in effect on December 31, 2020 for the rate class that includes the smallest  
28 commercial customers of the investor-owned transmission and distribution utility;  
29 and
- 30 (2) Increase by 2.25% on January 1st of each subsequent year, beginning January  
31 1, 2023.
- 32 B. A customer participating in the program must receive for electricity delivered to  
33 the electric grid from a distributed generation resource in which the customer has a  
34 financial interest a bill credit based on the tariff rate to apply against the costs of  
35 electricity delivered to the customer by the investor-owned transmission and  
36 distribution utility.
- 37 C. A bill credit under the program as described in paragraph B may be applied to any  
38 portion of a customer's electricity bill. Credits that remain unused at the end of any  
39 billing period may be carried forward for up to one year from the end of that billing  
40 period.
- 41 D. A customer participating in the program who remains eligible to participate in the  
42 program must be allowed to receive a bill credit based on the tariff rate for a period of  
43 no less than 20 years from the date of first receiving the credit.

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**Sec. 3. Appropriations and allocations.** The following appropriations and allocations are made.

**PUBLIC UTILITIES COMMISSION**

**Public Utilities - Administrative Division 0184**

Initiative: Provides funding for one Utility Analyst position and associated position costs.

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2021-22</b>	<b>2022-23</b>
POSITIONS - LEGISLATIVE COUNT	0.000	1.000
Personal Services	\$0	\$145,312
All Other	\$0	\$8,880
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$0</b>	<b>\$154,192</b>

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

**SUMMARY**

This amendment replaces the bill and adds a new title. The amendment establishes a tariff rate applicable to distributed generation resources that do not qualify for the tariff rate under the Maine Revised Statutes, Title 35-A, section 3209-B, subsection 5, paragraph A. The amendment limits the applicability of the tariff rate under paragraph A to distributed generation resources with a nameplate capacity of one megawatt or less and distributed generation resources with a nameplate capacity over one megawatt that are collocated with net energy billing customers subscribed to at least 50% of the facility's output or that have certified that the resources have commenced physical work of a significant nature before September 1, 2022. The amendment also replaces the term "commercial operation" with the term "mechanical completion" and defines "mechanical completion" in the provisions governing the residential net energy billing program. The amendment adds an appropriations and allocations section.

**FISCAL NOTE REQUIRED**  
(See attached)

**COMMITTEE AMENDMENT**



# 130th MAINE LEGISLATURE

LD 634

LR 345(02)

## An Act To Cap the Value of Contracts for Renewable Resources and Distributed Generation Resources

Fiscal Note for Bill as Amended by Committee Amendment "A(5-528)"  
 Committee: Energy, Utilities and Technology  
 Fiscal Note Required: Yes

### Fiscal Note

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
<b>Appropriations/Allocations</b>				
Other Special Revenue Funds	\$0	\$154,192	\$160,525	\$168,101
<b>Revenue</b>				
Other Special Revenue Funds	\$0	\$154,192	\$160,525	\$168,101

### Fiscal Detail and Notes

This bill changes certain qualification requirements for distributed generation resources for net energy billing and establishes a new tariff rate for certain distributed generation resources. The bill includes ongoing allocations to the Public Utilities Commission (PUC) of \$154,192 starting in fiscal year 2022-23 for one Utility Analyst position and associated costs. The increased allocations in this bill will be funded by revenue from the assessment on transmission and distribution utilities.