

# MAINE STATE LEGISLATURE

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Date: 6-7-21

(Filing No. H-425)

MAJORITY

ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
130TH LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 782, L.D. 1053, "An Act To Allow Microgrids That Are in the Public Interest"

Amend the bill by inserting before section 1 the following:

'Sec. 1. 35-A MRSA §120, sub-§6, as enacted by PL 2009, c. 122, §10, is amended to read:

6. Significant developments. Any significant developments in the utility sectors or other areas of commission oversight; and

Sec. 2. 35-A MRSA §120, sub-§6-A is enacted to read:

6-A. Microgrids. Beginning February 1, 2025, any activities undertaken by the commission related to new microgrids as defined in section 3351, subsection 1, paragraph B, including whether any new microgrids have been approved; and'

Amend the bill by striking out all of section 3 and inserting the following:

'Sec. 3. 35-A MRSA c. 33-A is enacted to read:

CHAPTER 33-A

MICROGRIDS

§3351. Microgrids

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

A. "Distributed energy resources" means small-scale electrical generation sources located close to where the generated electricity is used, energy storage resources, energy efficiency resources or demand response resources.

B. "New microgrid" means a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable

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1 entity with respect to the electric grid and can connect and disconnect from the electric  
2 grid to enable the new microgrid to operate in both electric grid-connected mode and  
3 nongrid-connected mode, referred to in this chapter as "island mode," and that is  
4 constructed after October 1, 2020.

5 **2. Microgrids, public utility exception.** Notwithstanding section 2102 or any other  
6 provision of this Title to the contrary, a person that constructs, maintains or operates a new  
7 microgrid approved under subsection 3 does not, solely as a result of furnishing service  
8 through that new microgrid to participating consumers, become a public utility and is not  
9 subject to regulation as a public utility under this Title.

10 **3. Commission approval; requirements.** A person may not construct or operate a  
11 new microgrid without commission approval in accordance with this subsection.

12 A. The commission shall approve a petition to construct and operate a new microgrid  
13 if the commission finds that operation of the new microgrid is in the public interest and  
14 the new microgrid meets at least the following requirements:

15 (1) The proposed new microgrid will serve a total load of no more than 10  
16 megawatts, except that the commission may approve no more than 2 new  
17 microgrids that each serve a load greater than 10 megawatts but no more than 25  
18 megawatts;

19 (2) The proposed new microgrid is located in the service territory of a transmission  
20 and distribution utility with more than 50,000 customers;

21 (3) The distributed energy resources for the new microgrid meet the applicable  
22 portfolio requirements in section 3210, subsections 3, 3-A, 3-B and 3-C;

23 (4) Any distributed energy resources constructed after the effective date of this  
24 subsection for the new microgrid are a renewable capacity resource as defined in  
25 section 3210, subsection 2, paragraph B-3 or a renewable resource as defined in  
26 section 3210, subsection 2, paragraph C;

27 (5) The person proposing the new microgrid demonstrates that the person has  
28 secured the financial capacity to operate the proposed new microgrid;

29 (6) The person proposing the new microgrid demonstrates that the person has  
30 secured the technical capability to operate the proposed new microgrid;

31 (7) There is a contractual relationship between the proposed new microgrid  
32 operator and consumers within the area to be served by the proposed new  
33 microgrid; and

34 (8) The proposed new microgrid will not negatively affect the reliability and  
35 security of the electric grid.

36 For the purposes of this paragraph, when determining whether a proposed new  
37 microgrid is in the public interest, the commission shall consider possible ratepayer  
38 effects, whether positive or negative; benefits due to the increased resilience or  
39 reliability of the electric grid; economic development benefits; and any other factors  
40 the commission considers necessary to promote the public interest.

41 B. As a condition of approval of a new microgrid, the commission shall:

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(1) Require that any increase in costs to the electric transmission and distribution system in the State as a result of the new microgrid must be fully recovered from the person approved under this subsection to construct, maintain or operate the new microgrid and customers of the microgrid and may not be passed on to other electric ratepayers; and

(2) Impose any other terms, conditions or requirements on the construction, maintenance or operation of the new microgrid as, in its judgment, it considers necessary, which may include but are not limited to parameters regarding the ability of the new microgrid to enter island mode, as defined by the commission by rule, and the operation of the new microgrid in grid-connected mode and island mode.

4. Commission oversight; grid protections; consumer protections. A new microgrid approved in accordance with subsection 3 is subject to commission oversight to ensure reliability and security of the electric grid and consumer protections for customers of the new microgrid.

5. Services. Services provided by a new microgrid may include, but are not limited to:

A. Standby electric service, as defined by the commission by rule, when the new microgrid is operating in island mode; and

B. Selling electricity as a competitive electricity provider when the new microgrid is operating in grid-connected mode.

6. Rulemaking. The commission may adopt rules to implement this section. Rules adopted under this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.'

Amend the bill in section 4 in the 2nd line (page 3, line 23 in L.D.) by striking out the following: "2022" and inserting the following: '2023'

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

**SUMMARY**

This amendment does the following:

1. It adds a requirement that, beginning in 2025, the Public Utilities Commission must submit information regarding microgrids in its annual report to the joint standing committee of the Legislature having jurisdiction over public utilities;

2. It specifies that a new microgrid may not serve a load of more than 10 megawatts, except it allows the commission to approve no more than 2 microgrids that each serve a load greater than 10 megawatts but no more than 25 megawatts;

3. It requires that any new distributed energy sources constructed after the effective date of the legislation for a new microgrid needs to be a renewable capacity resource or a renewable resource; and

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4. It makes technical changes to correct an incorrect date and clarify language.

**FISCAL NOTE REQUIRED**

**(See attached)**



# 130th MAINE LEGISLATURE

LD 1053

LR 950(02)

**An Act To Allow Microgrids That Are in the Public Interest**

**Fiscal Note for Bill as Amended by Committee Amendment** *A(H-425)*

**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 resulting from changes to the rules regarding the criteria for the approval, operation and review of microgrids are anticipated to be minor and can be absorbed within existing budgeted resources.