

MAINE STATE LEGISLATURE

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L D 327

Date 6/20/23

(Filing No S-380)

MAJORITY

ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE

SENATE

131ST LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S P 148, L D 327, "An Act to Provide Maine Ratepayers with Equitable Access to Interconnection of Distributed Energy Resources"

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

'An Act to Provide Maine Ratepayers with Equitable Access to Interconnection of Distributed Generation Resources'

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

'Sec. 1. 35-A MRSA §107, sub-§1, as amended by PL 2021, c 398, Pt UUU, §3, is further amended to read

1. Appointment The commission shall appoint

A An administrative director, a director of telephone and water utility industries, a director of electric and gas utility industries, a director of consumer assistance and safety and a director of emergency services communication,

B With the approval of the Attorney General, a general counsel, and

C An assistant administrative director-, and

D An interconnection ombudsman to assist with interconnection under section 3474

Sec. 2. 35-A MRSA §107, sub-§2, ¶F is enacted to read

F Notwithstanding section 116 or any other provision of this Title, the interconnection ombudsman is funded only through fees assessed under section 3474, federal money and contributions from private and public sources

Sec. 3. 35-A MRSA §3473, sub-§1, as enacted by PL 2013, c 562, §1, is repealed and the following enacted in its place

1. Monitoring. The commission shall monitor the level of solar energy development in the State in relation to the goals in section 3474, basic trends in solar energy markets and the relative costs and benefits from solar energy development, including but not limited to

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- 1 A Revenue from the sale of renewable energy credits,
 2 B Societal benefits through avoided greenhouse gas emissions,
 3 C Reduced electricity prices, and
 4 D Avoided or reduced costs associated with
 5 (1) Electricity capacity requirements,
 6 (2) Environmental compliance requirements,
 7 (3) Portfolio requirements established in section 3210,
 8 (4) Renewable energy credit price suppression, and
 9 (5) Electricity transmission and distribution costs

10 **Sec. 4. 35-A MRSA §3473, sub-§1-A** is enacted to read

11 1-A. Reporting. By January 1st of each year, the commission shall provide a
 12 summary report of its findings under subsection 1 to the joint standing committee of the
 13 Legislature having jurisdiction over energy matters.

14 **Sec. 5. 35-A MRSA §3474, sub-§3,** as enacted by PL 2021, c 264, §1, is amended
 15 to read

16 **3. Interconnection rules.** The commission shall adopt rules related to the
 17 interconnection of renewable capacity resources, as defined in section 3210-C, subsection
 18 1, paragraph E, using solar power, referred to in this subsection as "solar resources," and
 19 energy storage systems, as defined in section 3481, subsection 6, whether or not colocated
 20 with solar resources, to investor-owned transmission and distribution utilities, as defined
 21 in section 3201, subsection 11-A, in a manner that supports the goals in this section and
 22 ensures

23 A The State's interconnection rules reflect nationally recognized best practices, which
 24 may include, but are not limited to, those established by the Interstate Renewable
 25 Energy Council, or successor organization, and prioritize interconnection of solar
 26 resources and energy storage systems owned by customers of investor-owned
 27 transmission and distribution utilities and used to serve an on-site load,

28 B Customers affected by deficiencies in the rules are able to access timely resolution
 29 processes that do not place an undue burden on the customer, and

30 C Investments in investor-owned transmission and distribution utility distribution
 31 upgrades related to load are coordinated with utility infrastructure upgrades required
 32 for the interconnection of renewable capacity resources using solar power and energy
 33 storage systems

34 Rules adopted under this subsection are routine technical rules as defined in Title 5, chapter
 35 375, subchapter 2-A.

36 **Sec. 6. 35-A MRSA §3474, sub-§4** is enacted to read

37 4. Interconnection ombudsman, fund. The interconnection ombudsman appointed
 38 pursuant to section 107, subsection 1 shall assist persons seeking interconnections
 39 governed by rules adopted under subsection 3. The commission shall appoint an

1 interconnection ombudsman who possesses technical expertise related to interconnection
2 and interconnection procedures

3 A The duties of the interconnection ombudsman include but are not limited to

- 4 (1) Tracking interconnection disputes,
- 5 (2) Facilitating the efficient and fair resolution of disputes between customers
6 seeking to interconnect and investor-owned transmission and distribution utilities,
- 7 (3) Reviewing investor-owned transmission and distribution utility interconnection
8 policies to assess opportunities for reducing interconnection disputes,
- 9 (4) Convening stakeholder groups as necessary to facilitate effective
10 communication between interconnection stakeholders, and
- 11 (5) Preparing reports that detail the number, type, resolution timeline and outcome
12 of interconnection disputes

13 B The commission by rule shall establish a fee to be paid by persons seeking
14 interconnections to fund the interconnection ombudsman Notwithstanding Title 5,
15 section 8071, rules adopted under this paragraph are routine technical rules as defined
16 in Title 5, chapter 375, subchapter 2-A

17 C The interconnection ombudsman fund is established within the commission as a
18 nonlapsing fund for the purposes of funding the interconnection ombudsman The
19 commission shall deposit all fees collected under this subsection into the fund and all
20 money in the fund must be used to fully fund the interconnection ombudsman In
21 addition to the fees established in accordance with this subsection, the fund may accept
22 federal money and contributions from private and public sources

23 **Sec. 7. Solar interconnection cost allocation method and rules.** The Public
24 Utilities Commission shall

25 1 Within 6 months of the effective date of this Act, adopt interconnection rules in
26 accordance with the Maine Revised Statutes, Title 35-A, section 3474, subsection 3 that
27 prioritize interconnection of solar resources and energy storage systems owned by
28 customers of investor-owned transmission and distribution utilities and used to serve an
29 on-site load,

30 2 Within 12 months of the effective date of this Act, make a good faith effort to appoint
31 an interconnection ombudsman with expertise related to interconnection of distributed
32 generation resources, including solar resources and energy storage systems, and

33 3 Within 6 months of the effective date of this Act, contract with an expert to evaluate
34 whether treating distributed generation resources that use the tariff rate program under the
35 Maine Revised Statutes, Title 35-A, section 3209-B as load-reducing resources would
36 provide greater value to all ratepayers than the treatment of those resources as wholesale
37 generation resources The expert shall also evaluate whether the tariff rate program has
38 been implemented in a way that maximizes the value of the portfolio of the resources to all
39 ratepayers By September 1, 2024, the commission shall provide a copy of the expert's
40 report and a description of any actions the commission recommends with respect to the
41 findings in the report to the joint standing committee of the Legislature having jurisdiction
42 over energy matters The joint standing committee may report out a bill to the 132nd
43 Legislature in 2025 related to the report

1 **Sec. 8. Interconnection working group.** The Public Utilities Commission shall
 2 convene a working group, referred to in this section as "the working group," to collaborate
 3 to prevent and resolve disputes relating to the implementation of the State's small generator
 4 interconnection procedures for Level 1 and Level 2 facilities, as defined in Chapter 324 of
 5 the commission's rules

6 1 The working group's duties include the identification and discussion of issues related
 7 to

8 A Transparency of investor-owned transmission and distribution utility activities in
 9 the interconnection process,

10 B Current and emerging technical issues resulting in disputes between the State's
 11 investor-owned transmission and distribution utilities and customers seeking to
 12 interconnect,

13 C Circuits and line sections that have been determined to be unsafe for the
 14 interconnection of Level 1 facilities, and

15 D Topics that would be appropriately included in the duties of the interconnection
 16 ombudsman

17 2 The working group shall hold monthly meetings for its first year, and thereafter the
 18 working group shall meet at least quarterly until the commission submits its final report in
 19 2025

20 3 The members of the working group must include

21 A One or more representatives from Central Maine Power Company,

22 B One or more representatives from Versant Power,

23 C Representatives from 2 or more companies engaged in the development and
 24 construction of Level 1 and Level 2 facilities in the Central Maine Power Company
 25 service territory,

26 D Representatives from 2 or more companies engaged in the development and
 27 construction of Level 1 and Level 2 facilities in the Versant Power service territory,
 28 and

29 E Any other person that the commission determines necessary to ensure that all
 30 interests related to interconnection issues are fairly represented

31 4 By December 6, 2023, the commission shall submit a report summarizing the
 32 working group's activities under this section to the joint standing committee of the
 33 Legislature having jurisdiction over energy matters. The commission shall submit to the
 34 committee an additional report by December 6, 2024 and a final report of the working
 35 group by December 6, 2025. The committee may report out a bill to the Second Regular
 36 Session of the 132nd Legislature regarding the contents of the final report

37 **Sec. 9. Appropriations and allocations.** The following appropriations and
 38 allocations are made

39 **PUBLIC UTILITIES COMMISSION**

40 **Public Utilities - Administrative Division 0184**

COMMITTEE AMENDMENT "A" to S P 148, L D 327

1	Initiative Provides one-time allocations for expenditures related to contracted consulting		
2	services and related STA-CAP		
3	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
4	All Other	\$110,210	\$0
5			
6	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$110,210</u>	<u>\$0</u>
7	PUC - Interconnection Ombudsman Fund N467		
8	Initiative Provides allocations to establish one Utility Analyst position to serve as the		
9	Interconnection Ombudsman and associated All Other costs		
10	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
11	POSITIONS - LEGISLATIVE COUNT	1 000	1 000
12	Personal Services	\$118,414	\$122,203
13	All Other	\$15,391	\$15,391
14			
15	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$133,805</u>	<u>\$137,594</u>
16	PUC - Interconnection Ombudsman Fund N467		
17	Initiative Provides allocations to establish the program and account		
18	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
19	All Other	\$500	\$500
20			
21	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$500</u>	<u>\$500</u>
22			
23	PUBLIC UTILITIES COMMISSION		
24	DEPARTMENT TOTALS	2023-24	2024-25
25			
26	OTHER SPECIAL REVENUE FUNDS	\$244,515	\$138,094
27			
28	DEPARTMENT TOTAL - ALL FUNDS	<u>\$244,515</u>	<u>\$138,094</u>
29			

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

32 **SUMMARY**

33 This amendment replaces the bill, which is a concept draft. It creates a position within
 34 the Public Utilities Commission for an interconnection ombudsman that is funded primarily
 35 by fees paid by persons seeking interconnections, but may also be funded by federal funds
 36 and contributions from private and public sources. It establishes the duties of this position
 37 and requires the commission to make a good faith effort to appoint an interconnection
 38 ombudsman within 12 months of the effective date of this legislation.

39 The amendment identifies costs and benefits of solar energy development that the
 40 commission must monitor and requires the commission to provide an annual summary.

COMMITTEE AMENDMENT

1 report regarding its monitoring activities to the joint standing committee of the Legislature
2 having jurisdiction over energy matters

3 It directs the commission to adopt interconnection rules applicable to solar resources
4 and to energy storage systems within 6 months of the effective date of this legislation. The
5 rules must reflect nationally recognized best practices and prioritize interconnection of
6 solar resources and energy storage systems owned by customers to offset on-site load

7 The amendment also requires the commission to contract with an expert to conduct an
8 evaluation of and issue a report addressing whether treating distributed generation
9 resources that use the tariff rate program as load-reducing resources will provide greater
10 value to all ratepayers than treating those resources as wholesale generation resources and
11 whether the tariff rate established by the Maine Revised Statutes, Title 35-A, section
12 3209-B, subsection 5 has been implemented in a way that maximizes the value of the
13 portfolio of the resources to all ratepayers. The commission must provide a copy of the
14 expert's report and a description of any actions the commission recommends with respect
15 to the findings in the report to the joint standing committee of the Legislature having
16 jurisdiction over energy matters by September 1, 2024

17 Lastly, the amendment requires the commission to establish a working group to
18 collaborate to prevent and resolve disputes relating to the implementation of the State's
19 small generator interconnection procedures for Level 1 and Level 2 facilities. The working
20 group must meet monthly for its first year and at least quarterly thereafter until the working
21 group submits its final report. The working group's final report must be submitted to the
22 joint standing committee of the Legislature having jurisdiction over energy matters by
23 December 6, 2025

24 **FISCAL NOTE REQUIRED**
25 **(See attached)**



131st MAINE LEGISLATURE

LD 327

LR 1979(02)

An Act to Provide Maine Ratepayers with Equitable Access to Interconnection of Distributed Energy Resources

Fiscal Note for Bill as Amended by Committee Amendment *A" (S 380)*
 Committee: Energy, Utilities and Technology
 Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Appropriations/Allocations				
Other Special Revenue Funds	\$244,515	\$138,094	\$142,005	\$146,040
Revenue				
Other Special Revenue Funds	\$110,210	\$0	\$0	\$0

Fiscal Detail and Notes

This bill creates an Interconnection Ombudsman position within the Public Utilities Commission(PUC) to be funded by a combination of fees assessed on persons seeking interconnection, federal funding sources and other private and public funds. The bill includes allocations of \$133,805 to the PUC beginning in the fiscal year 2023-24 to establish one Utility Analyst position to serve as the Ombudsman position and associated costs. The bill includes allocations of \$500 beginning in fiscal year 2023-24 to establish the PUC-Interconnection Omsbudman Fund to receive revenues from interconnection fees once they are established through rulemaking conducted by the PUC.

The bill also requires the PUC to utilize contracted services to evaluate how distributed generation resources are used within the tariff program. The bill includes one-time allocations of \$110,210 to the PUC in fiscal year 2023-24 for the cost of the contracted services. Since the PUC is funded by assessments on impacted utilities set to produce sufficient revenue for the expenditures needed to operate it, the one-time allocations in this bill require a corresponding one-time increase in revenue from those assessments.