

# MAINE STATE LEGISLATURE

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SIA  
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Date 6-1-23

Report A

L D 542

(Filing No H-277)

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**ENERGY, UTILITIES AND TECHNOLOGY**

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**STATE OF MAINE**

Report A

6

**HOUSE OF REPRESENTATIVES**

7

**131ST LEGISLATURE**

8

**FIRST SPECIAL SESSION**

9

COMMITTEE AMENDMENT "A" to HP 347, L D 542, "An Act to  
Comprehensively and Equitably Reform Electricity Rates"

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11

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

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**'An Act to Reform Electricity Rates'**

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

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**'Sec. 1. 35-A MRSA §301-A** is enacted to read

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**§301-A. Performance-based ratemaking**

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The commission may establish for a transmission and distribution utility with over  
50,000 customers a multiyear rate plan that includes rate-adjustment mechanisms  
authorized under section 3195, including, but not limited to, positive and negative financial  
incentives relating to the success or failure of the utility meeting the goals established in  
accordance with this section.

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**1. Performance goals.** Under the multiyear rate plan, the commission shall establish  
goals for the transmission and distribution utility, that may include, but are not limited to,  
the following.

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A The metrics established by the commission in accordance with section 301,  
subsection 1-A, paragraph A, and

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B Standards established by the commission by rule pertaining to utility operations and  
activities in the following categories.

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(1) Efforts to increase grid resiliency, including, but not limited to, facilitating the  
development and interconnection of distributed generation resources and grid  
security, and

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(2) Measures taken to encourage peak load reduction and beneficial load-shaping.

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**2. Evaluation of performance.** The commission shall require a transmission and  
distribution utility to provide data necessary to determine if the utility has met the goals

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**COMMITTEE AMENDMENT**

1 established under subsection 1 and shall evaluate the utility's performance. If a utility does  
2 not meet a goal established under subsection 1 and is subject to a negative financial  
3 incentive, the commission shall provide an opportunity for the utility to demonstrate good  
4 cause for its failure to meet the goal and, if the commission finds good cause, the  
5 commission may modify or eliminate the negative financial incentive in accordance with  
6 its finding.

7 **3. Rulemaking.** The commission shall adopt rules to implement this section. Rules  
8 adopted under this subsection are routine technical rules as defined in Title 5, chapter 375,  
9 subchapter 2-A.

10 **Sec. 2. 35-A MRSA §3195, sub-§1, ¶D,** as enacted by PL 1991, c 413, §1 and  
11 affected by §2, is amended to read

12 D Positive or negative financial incentives for efficient operations or for meeting or  
13 failing to meet goals and standards established by the commission pursuant to this Title

14 **Sec. 3. Time-of-use rates; report.** The Public Utilities Commission shall  
15 investigate the feasibility of requiring

16 1 Standard-offer service to include a time-of-use rate option, including whether the  
17 commission recommends the use of a pilot program to assess this option, and

18 2 All investor-owned transmission and distribution utilities to offer a time-of-use rate  
19 for the delivery of electricity for all customer classes that would complement a time-of-use  
20 supply rate

21 No later than January 15, 2024, the commission shall submit a report to the Joint  
22 Standing Committee on Energy, Utilities and Technology that includes a summary of the  
23 commission's investigation along with any findings and recommendations related to the  
24 report. The committee may report out a bill to the Second Regular Session of the 131st  
25 Legislature.

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

28 **SUMMARY**

29 This amendment replaces the bill, which is a concept draft, and changes the title. It  
30 allows the Public Utilities Commission to establish for any transmission and distribution  
31 utility with over 50,000 customers a multiyear rate plan that includes rate-adjustment  
32 mechanisms including financial incentives relating to the success or failure of the utility to  
33 meet established goals. The commission must require a utility subject to a multiyear rate  
34 plan to provide data to the commission necessary to determine if the utility is meeting the  
35 established goals. A utility that fails to meet an established goal is subject to a negative  
36 financial incentive unless the commission finds good cause for such failure, in which case  
37 the commission may modify or eliminate the negative financial incentive.

38 The amendment also directs the commission to investigate the feasibility of requiring  
39 standard-offer service to include time-of-use rates and requiring all investor-owned  
40 transmission and distribution utilities to offer a time-of-use rate for the delivery of  
41 electricity for all customer classes that would complement a time-of-use supply rate. The

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COMMITTEE AMENDMENT "A" to H P 347, L D 542

1 commission is required to provide a report summarizing its investigation to the Joint  
2 Standing Committee on Energy, Utilities and Technology by January 15, 2024

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**FISCAL NOTE REQUIRED**

**(See attached)**

**COMMITTEE AMENDMENT**



# 131st MAINE LEGISLATURE

LD 542

LR 1063(02)

**An Act to Comprehensively and Equitably Reform Electricity Rates**

**Fiscal Note for Bill as Amended by Committee Amendment "A" (H-277)**  
**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 to implement the provisions of this bill are expected to be minor and can be absorbed within existing budgeted resources