

MAINE STATE LEGISLATURE

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Date 6-1-23

Report B

LD 542

(Filing No H-278)

ENERGY, UTILITIES AND TECHNOLOGY

Report B

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "B" to HP 347, LD 542, "An Act to
Comprehensively and Equitably Reform Electricity Rates"

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

'An Act to Reform Electricity Rates'

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

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

§301-A. Performance-based ratemaking

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.

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:

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

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

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

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

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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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 standard-offer service to include a time-of-use rate
16 option, including whether the commission recommends the use of a pilot program to assess
17 this option, and conduct an analysis of rate design options to achieve peak load reduction
18 and beneficial electrification, including, but not limited to, time-varying rates, seasonal
19 rates and peak-time rebates for both distribution and standard-offer service. No later than
20 January 15, 2024, the commission shall submit a report to the Joint Standing Committee
21 on Energy, Utilities and Technology that includes its analysis and a summary of the
22 commission's investigation along with any findings and recommendations. The committee
23 may report out a bill to the Second Regular Session of the 131st Legislature.

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

SUMMARY

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

36 The amendment also directs the commission to investigate the feasibility of requiring
37 standard-offer service to include time-of-use rates and to conduct an analysis of rate design
38 options to achieve peak load reduction and beneficial electrification. The commission is
39 required to provide a report including its analysis and a summary of its investigation to the
40 Joint Standing Committee on Energy, Utilities and Technology by January 15, 2024.

41 **FISCAL NOTE REQUIRED**
42 (See attached)

COMMITTEE AMENDMENT



131st MAINE LEGISLATURE

LD 542

LR 1063(03)

An Act to Comprehensively and Equitably Reform Electricity Rates

Fiscal Note for Bill as Amended by Committee Amendment "B" (H-278)
Committee: Energy, Utilities and Technology
Fiscal Note Required: Yes

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