

MAINE STATE LEGISLATURE

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L D 698

Date 5-22-23

(Filing No H-185)

ENERGY, UTILITIES AND TECHNOLOGY

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

COMMITTEE AMENDMENT "A" to H P 467, L D 698, "An Act Directing the Public Utilities Commission to Study the State Natural Gas Supply Pursuant to the Maine Energy Cost Reduction Act"

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

'An Act to Reduce the Cost of Energy in Maine and Reduce Greenhouse Gas Emissions Through the Effective Use of Renewably Sourced Gas'

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

'Sec. 1. 35-A MRSA §1903, as amended by PL 2015, c 445, §§3 and 4, is repealed

Sec. 2. 35-A MRSA §1909-A is enacted to read

§1909-A. Regional natural gas monitoring; commission intervention

1. Federal Energy Regulatory Commission proceedings. The commission shall

A Monitor proceedings at the Federal Energy Regulatory Commission related to interstate natural gas transportation capacity in New England and the Northeast, and

B If the commission believes that intervention and participation in a proceeding described in paragraph A will best represent the interests of the State's electric and gas ratepayers, intervene and participate in the proceeding and seek to achieve a result that will ensure the lowest possible natural gas and electricity prices for consumers in the State

2. Report. By December 31st of any year in which the commission has intervened and participated in a proceeding pursuant to subsection 1, paragraph B, the commission shall submit a report to the joint standing committee of the Legislature having jurisdiction over energy and utility matters summarizing its participation

Sec. 3. 35-A MRSA §1912, as amended by PL 2017, c 22, §1, is repealed

Sec. 4. 35-A MRSA §4701-A is enacted to read

COMMITTEE AMENDMENT

ROS

1 **§4701-A. Renewably sourced gas; authorized with commission approval**

2 **1. Definition.** For the purposes of this section, unless the context otherwise indicates,
3 the following term has the following meaning.

4 A "Renewably sourced gas" means gas that the commission finds has been processed
5 to meet pipeline, equipment and appliance quality standards to blend with or substitute
6 for geologically derived natural gas and may include gas that

7 (1) Is produced by anaerobic digestion or gasification of agricultural waste, dairy
8 or animal residual materials or landfill biomass material,

9 (2) Is produced by wastewater treatment or other waste processes, or

10 (3) Has a lower carbon content than natural gas, including but not limited to
11 hydrogen gas.

12 **2. Renewably sourced gas.** Any gas utility may be authorized, subject to commission
13 approval in accordance with subsection 3, to buy, sell, furnish, transport, store, distribute,
14 dispose of or otherwise deal in renewably sourced gas with the same rights, privileges and
15 limitations conferred or imposed upon it with respect to geologically or conventionally
16 sourced natural gas and within the same territorial limitations within which it is authorized
17 to deal in manufactured gas.

18 **3. Commission approval.** A gas utility may petition the commission to utilize
19 renewably sourced gas in accordance with subsection 2. The commission may authorize
20 the use of renewably sourced gas upon a finding that.

21 A. The gas utility will utilize the renewably sourced gas in a manner that is safe and
22 reliable.

23 B. The renewably sourced gas will be provided to customers at a just and reasonable
24 rate, and

25 C. Granting the authorization may reduce greenhouse gas emissions and help to meet
26 the greenhouse gas emissions reduction levels set forth in Title 38, section 576-A.

27 **Sec. 5. Requests for information; Public Utilities Commission.** The Public
28 Utilities Commission, after consultation with the Office of the Public Advocate, the
29 Governor's Energy Office and the Efficiency Maine Trust, shall issue a request for
30 information to appropriate stakeholders, organizations or other entities identified by the
31 commission for the following information

32 1 Whether there are any reasonable opportunities for the commission to explore and
33 consider engaging in the execution of an energy cost reduction contract or a physical energy
34 storage contract in accordance with the principles of beneficial electrification and the
35 Maine Revised Statutes, Title 35-A, chapter 19, and

36 2. Identification of existing and near-term replacement energy sources for natural gas
37 in commercial and industrial uses, including when the replacement energy sources are
38 expected to be available, the cost of those replacement energy sources and the steps needed
39 to develop a cost-effective and reliable supply of such replacement energy sources

40 By February 1, 2024, the commission shall submit a report to the Joint Standing
41 Committee on Energy, Utilities and Technology that includes a summary of the responses
42 the commission received from its request for information, any actions the commission has

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taken, if any, as a result of the information submitted by respondents to the commission's request for information and any recommendations. The committee may report out a bill to the Second Regular Session of the 131st Legislature.

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

SUMMARY

This amendment replaces the bill, which is a concept draft. It repeals the section of law establishing the legislative findings in the Maine Energy Cost Reduction Act. It requires the Public Utilities Commission to monitor proceedings at the Federal Energy Regulatory Commission and intervene and participate in those proceedings related to interstate natural gas transmission capacity in New England and the Northeast that could affect natural gas prices in the State if the commission believes that intervention and participation will best represent the interests of the State's electric and gas ratepayers.

The amendment repeals the section of law that prohibits the commission from executing a contract for physical energy storage after June 1, 2017 and a contract for energy cost reduction after December 31, 2020.

The amendment provides that a gas utility may petition the commission to utilize renewably sourced gas, and the commission may authorize the use of renewably sourced gas upon a finding that the utility's proposed use of the renewably sourced gas is safe and reliable, that its use can be provided to customers at a just and reasonable rate and that it may reduce greenhouse gas emissions to meet the greenhouse gas emissions reduction levels. It also defines "renewably sourced gas."

The amendment requires the commission to issue a request for information after consultation with the Office of the Public Advocate, the Governor's Energy Office and the Efficiency Maine Trust regarding reasonable opportunities for the commission to explore and consider engaging in the execution of an energy cost reduction contract or a physical energy storage contract. The commission's request for information must also seek identification of existing and near-term replacement energy sources for natural gas in commercial and industrial uses, including when the replacement energy sources are expected to be available, the cost of those replacement energy sources and the steps needed to develop a cost-effective and reliable supply of such replacement energy sources. The commission must submit a report to the Joint Standing Committee on Energy, Utilities and Technology by February 1, 2024 that includes a summary of the responses the commission received from its request for information, any actions taken by the commission as a result of the information received and any recommendations.

FISCAL NOTE REQUIRED
(See attached)



Approved 05/01/23 *MAC*

131st MAINE LEGISLATURE

LD 698

LR 2238(02)

An Act Directing the Public Utilities Commission to Study the State Natural Gas Supply Pursuant to the Maine Energy Cost Reduction Act

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

A (H-185)

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Public Utilities Commission, Governor's Energy Office, Efficiency Maine Trust or the Office of the Public Advocate from the provisions of this bill are expected to be minor and can be absorbed with existing budgeted resources