

# MAINE STATE LEGISLATURE

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# 131st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2023

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Legislative Document

No. 1431

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H.P. 927

House of Representatives, March 30, 2023

### **An Act Requiring the Public Utilities Commission to Adopt Rules Promoting Renewable Energy**

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Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative WARREN of Scarborough.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 35-A MRSA §2112** is enacted to read:

3 **§2112. Energy transformation projects**

4 **1. Definition.** As used in this section, unless the context otherwise indicates, "energy  
5 transformation project" means an undertaking that provides energy-related goods or  
6 services but does not include the generation of electricity and that results in a net reduction  
7 in fossil fuel consumption by the customers of a retail electricity provider and in the  
8 emission of greenhouse gases attributable to that consumption.

9 **2. Energy transformation projects.** The commission shall adopt rules to incentivize  
10 participation by competitive electricity providers and others in energy transformation  
11 projects, including projects that support:

12 A. Home weatherization or other thermal energy efficiency measures;

13 B. Air source or geothermal heat pumps;

14 C. High-efficiency heating systems;

15 D. Increased use of biofuels;

16 E. Biomass heating systems;

17 F. Transportation demand management strategies;

18 G. Electric vehicles or related infrastructure; or

19 H. Infrastructure for the storage of renewable energy on the electric grid.

20 **Sec. 2. 35-A MRSA §3110** is enacted to read:

21 **§3110. Social cost of carbon**

22 **1. Definition.** As used in this section, unless the context otherwise indicates, "social  
23 cost of carbon" means an estimate, in dollars, of the economic damages that would result  
24 from emitting one additional ton of carbon dioxide into the atmosphere.

25 **2. Commission rules or rate-making decisions.** In adopting a rule regarding electric  
26 rates or a rate-making decision, the commission shall consider the social cost of carbon.

27 **Sec. 3. 35-A MRSA §3196** is enacted to read:

28 **§3196. Commission authority to promote distributed energy resources**

29 The commission shall promote the use of distributed energy resources. As used in this  
30 section, "distributed energy resources" means a nonemitting electric generation or  
31 renewable resource or program that reduces electric demand, manages the level or timing  
32 of electricity consumption or provides storage, electric energy, capacity or ancillary  
33 services to an electric utility and that is located on the distribution system, any subsystem  
34 of the distribution system or on the consumer's side of the meter.

35 **Sec. 4. 35-A MRSA §3210, sub-§8**, as amended by PL 2019, c. 477, §1, is further  
36 amended to read:

37 **8. Credit trading.** The commission shall allow competitive electricity providers to  
38 satisfy the portfolio requirements of subsections 3, 3-A, 3-B and 3-C through the use of

1 renewable energy credits ~~if the commission determines that a reliable system of electrical~~  
2 ~~attribute trading exists.~~ The commission shall adopt rules to implement a reliable system  
3 of electrical attribute trading. When renewable energy credits are used to satisfy the  
4 portfolio requirements of subsections 3 and 3-A, the value of a renewable energy credit for  
5 electricity generated by a community-based renewable energy project, as defined in section  
6 3602, that is participating in the community-based renewable energy pilot program  
7 established in section 3603 and elects the renewable energy credit multiplier under section  
8 3605 is 150% of the amount of the electricity. A competitive electricity provider that does  
9 not satisfy the portfolio requirements as required in this section is subject to an  
10 administrative penalty in the amount of \$100 per ton of carbon emitted annually from  
11 sources that do not satisfy the portfolio requirements. Rules adopted pursuant to this  
12 subsection are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A.

13

### SUMMARY

14 This bill requires the Public Utilities Commission to adopt rules to incentivize  
15 participation by competitive electricity providers and others in energy transformation  
16 projects, to adopt rules implementing a reliable system of electrical attribute trading, to  
17 promote the use of distributed energy resources and to consider the social cost of carbon in  
18 ratemaking and adopting rules.