

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1465

S.P. 584

In Senate, April 5, 2023

An Act to Amend the Calculation of Tariff Rates and Billing Credits Under Net Energy Billing

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

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator HARRINGTON of York.

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

2 **Sec. 1. 35-A MRSA §3209-A, sub-§8, ¶B**, as enacted by PL 2021, c. 370, §1 and
3 reallocated by RR 2021, c. 1, Pt. A, §37 and PL 2021, c. 659, §18 and c. 705, §13, is
4 amended to read:

5 B. Establish the manner by which a transmission and distribution utility must apply
6 such unused kilowatt-hour credits for the benefit of participants in the utility's
7 arrearage management program, which must be designed to result in each such
8 participant receiving as close to an equal amount of those credits except when the
9 credited amount would exceed the amount of a participant's arrearage. The value of
10 unused kilowatt-hour credits must be based on the average residential standard-offer
11 rate under section 3212 for the term that coincides with the year in which the credits
12 expire.

13 **Sec. 2. 35-A MRSA §3209-B, sub-§5**, as amended by PL 2021, c. 659, §19, is
14 further amended to read:

15 **5. Tariff rate; bill credits.** The commission shall establish by rule tariff rates for
16 customers participating in the program. The initial tariff rate must be established no later
17 than December 1, 2019. The tariff rate must be based on the forecast of wholesale energy
18 market prices in New England determined credible by the commission for each successive
19 calendar year.

20 ~~A. The tariff rate for a customer participating in net energy billing with a distributed~~
21 ~~generation resource described in this paragraph must equal the standard offer service~~
22 ~~rate established under section 3212 that is applicable to the customer receiving the~~
23 ~~credit plus 75% of the effective transmission and distribution rate for the rate class that~~
24 ~~includes the smallest commercial customers of the investor-owned transmission and~~
25 ~~distribution utility. The tariff rate under this paragraph applies to net energy billing~~
26 ~~with a distributed generation resource:~~

27 ~~(1) With a nameplate capacity of greater than one megawatt if:~~

28 ~~(a) The entity developing the distributed generation resource certifies by~~
29 ~~affidavit with accompanying documentation to the commission that the entity,~~
30 ~~before September 1, 2022, commenced on-site physical work of a significant~~
31 ~~nature on the distributed generation resource and the entity has made and will~~
32 ~~continue to make continuous on-site construction efforts to advance toward~~
33 ~~completion of the distributed generation resource. For the purpose of this~~
34 ~~paragraph, continuous on-site construction efforts include, but are not limited~~
35 ~~to, in the context of a solar facility, the continuous installation of racks or other~~
36 ~~structures to affix photovoltaic panels, collectors or solar cells to a site. The~~
37 ~~commission may share information contained in the affidavit submitted in~~
38 ~~accordance with this paragraph with a transmission and distribution utility, as~~
39 ~~necessary, to verify a distributed generation resource's compliance with this~~
40 ~~section. In administering this subsection, the commission may adopt rules~~
41 ~~including, but not limited to, requiring the entity that submits a sworn affidavit~~
42 ~~under this subparagraph to provide updated documentation to the commission~~
43 ~~after submission of the affidavit; or~~

1 (b) The distributed generation resource is collocated with a net energy billing
2 customer that is or net energy billing customers that are subscribed to at least
3 50% of the facility's output; or

4 (2) With a nameplate capacity of one megawatt or less.

5 A-1. The tariff rate for a customer participating in net energy billing under this section
6 with a distributed generation resource not governed by paragraph A must:

7 (1) In 2022, equal the standard offer service rate established pursuant to section
8 3212 that was applicable to the rate class of the customer receiving the credit on
9 December 31, 2020 plus 75% of the effective transmission and distribution rate
10 that was in effect on December 31, 2020 for the rate class that includes the smallest
11 commercial customers of the investor-owned transmission and distribution utility;
12 and

13 (2) Increase by 2.25% on January 1st of each subsequent year, beginning January
14 1, 2023.

15 B. A customer participating in the program must receive for electricity delivered to
16 the electric grid from a distributed generation resource in which the customer has a
17 financial interest a bill credit based on the tariff rate to apply against the purchased
18 power supply costs of electricity delivered to the customer by the investor-owned
19 transmission and distribution utility.

20 C. A bill credit under the program as described in paragraph B may be applied to any
21 portion the supply charges of a customer's electricity bill. Credits that remain unused
22 at the end of any billing period may be carried forward for up to one year from the end
23 of that billing period.

24 C-1. The delivery charges of a customer's electricity bill may not be reduced by a credit
25 pursuant to this subsection, and the electricity bill must reflect the applicable rate for
26 electricity delivery for that month.

27 D. A customer participating in the program who remains eligible to participate in the
28 program must be allowed to receive a bill credit based on the tariff rate for a period of
29 no less than 20 years from the date of first receiving the credit.

30 **SUMMARY**

31 This bill amends the law regarding the net energy billing program for commercial and
32 institutional customers of investor-owned utilities by changing the current calculation for
33 tariff rates to require the Public Utilities Commission to annually base the tariff rate on the
34 forecast of wholesale energy market prices in New England and by providing that an energy
35 credit may apply only to the supply charges of a customer's electricity bill rather than to
36 the entirety of the bill.