

MAINE STATE LEGISLATURE

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Date 6/20/23

(Filing No S-357)

MAJORITY

ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE

SENATE

131ST LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S P 688, L D 1724, "An Act to Enact the Beneficial Electrification Policy Act"

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

'Sec. 1. 35-A MRSA c. 38 is enacted to read

CHAPTER 38

BENEFICIAL ELECTRIFICATION POLICY ACT

§3801. Short title

This chapter may be known and cited as "the Beneficial Electrification Policy Act "

§3802. Definitions

For the purposes of this chapter, unless the context otherwise indicates, the following terms have the following meanings

1. Beneficial electrification. "Beneficial electrification" has the same meaning as in section 10102, subsection 3-A.

2. Office. "Office" means the Governor's Energy Office

3. Renewable resource. "Renewable resource" has the same meaning as in section 3210, subsection 2, paragraph C.

4. Trust. "Trust" means the Efficiency Maine Trust

§3803. Support for policy of beneficial electrification

1. Petition for renewable resources procurement. The office may petition the commission to procure energy from renewable resources to achieve the emission reduction

COMMITTEE AMENDMENT

ROS

1 and renewable energy goals of the State and to meet reasonably expected growth in electric
2 demand

3 A In developing a petition for procurement of energy from renewable resources, the
4 office shall consult with relevant departments and agencies

5 B The commission shall evaluate a petition submitted by the office in accordance with
6 section 3804 and may through a competitive procurement process established by the
7 commission by rule procure energy from one or more renewable resources The
8 commission may direct a transmission and distribution utility to enter into a long-term
9 contract for the energy procured Rules adopted to implement this paragraph are routine
10 technical rules as defined in Title 5, chapter 375, subchapter 2-A

11 **2. Plan for promoting beneficial electrification for end uses of energy** The trust
12 shall develop a 3-year beneficial electrification plan for end uses of energy as part of the
13 trust's triennial plan in accordance with section 10104, subsection 4 and provide annual
14 updates to the plan in accordance with section 10104, subsection 6 In developing its
15 beneficial electrification plan for end uses, the trust shall consult with relevant departments
16 and agencies

17 **3. Funding and reporting.** Notwithstanding sections 116 and 117, at the request of
18 the office, the commission may transfer money from funds in the Public Utilities
19 Commission Regulatory Fund or the Public Utilities Commission Reimbursement Fund to
20 the office to pay for the costs associated with a petition for a procurement of energy from
21 renewable resources under subsection 1 and, at the request of the trust, to the trust to
22 implement the 3-year beneficial electrification plan included in the triennial plan under
23 subsection 2 At the end of any year in which the commission has transferred money under
24 this subsection to the office or the trust, the office or the trust, respectively, shall provide a
25 report to the commission detailing its fund requests, money received and expenditures

26 **4. Monitoring beneficial electrification trends and opportunities.** To the extent
27 possible through readily available information, the office, the commission and the trust
28 shall coordinate to monitor

29 A All beneficial electrification activity in the State and the effect of the commission's
30 actions under section 3804,

31 B Trends in beneficial electrification in the State and in other jurisdictions, and

32 C The estimated costs and benefits for ratepayers of beneficial electrification
33 programs occurring as a result of this chapter and other programs that have been
34 implemented in the State

35 **§3804. Commission advancement of clean energy and beneficial electrification**

36 The commission shall advance through its decisions and orders beneficial
37 electrification in order to achieve the emission reduction and renewable energy goals of the
38 State, reduce energy costs to consumers and provide economic and climate benefits for all
39 ratepayers The commission shall seek to procure energy under section 3803, subsection 1,
40 paragraph B in a manner that is consistent with beneficial electrification To the extent
41 practicable, the commission shall seek to ensure that the acquisition of energy from
42 renewable resources under section 3803, subsection 1, paragraph B is designed to procure
43 sufficient energy to meet the portfolio requirements under section 3210 for the reasonably
44 expected increase in use of electricity by retail electricity consumers

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§3805. Reporting

1 Commission report. The commission shall include in its annual report under section 120, subsection 7 a summary of its activities in accordance with this chapter

2. Office report. The office shall include in its annual report under Title 2, section 9, subsection 3, paragraph C-1 a summary of its activities in accordance with this chapter

3. Trust report. The trust shall include in its annual report under section 10104, subsection 5 a summary of its activities in accordance with this chapter

Sec. 2. 35-A MRSA §10102, sub-§3-A, as enacted by PL 2019, c 365, §1, is amended to read

3-A. Beneficial electrification. "Beneficial electrification" means electrification of a technology or process that results in reduction in the use of a fossil fuel, including electrification of a technology or process that would otherwise require energy from a fossil fuel, and that provides a benefit to a utility, a ratepayer or the environment, without causing harm to utilities, ratepayers or the environment, by improving the efficiency of the electricity grid or reducing consumer costs or emissions, including carbon emissions

Sec. 3. 35-A MRSA §10104, sub-§2, ¶C, as enacted by PL 2009, c 372, Pt B, §3, is amended to read

C The efficiency with which programs are planned, designed, overseen and delivered is maximized, ~~and~~

Sec. 4. 35-A MRSA §10104, sub-§2, ¶D, as enacted by PL 2009, c 372, Pt B, §3, is amended to read

D Sufficient checks and balances are provided to ensure consistency with public policy and accountability for meeting the principles set out in paragraphs A to C and E so that energy efficiency programs in the State are sustainable for the long term-, and

Sec. 5. 35-A MRSA §10104, sub-§2, ¶E is enacted to read

E Programs are planned and implemented to advance the policy of beneficial electrification as described in chapter 38

Sec. 6. 35-A MRSA §10110, sub-§4-A, ¶B, as amended by PL 2019, c 313, §8, is further amended by amending the first blocked paragraph to read

The trust shall use, and the commission shall give deference to, values for each element of avoided energy cost from a regional avoided energy supply cost study as long as the analysis has been developed through a transparent process, with input from state agencies, public advocates, utilities or energy efficiency administrators from at least 3 other states in New England and the analysis has been published not more than 24 months prior to the trust's filing of the plan When values specific to the State are not available in the regional study, the trust may use, and the commission shall give deference to, regional values provided in that regional study or values determined from other sources when supported by evidence in the record, ~~and~~

Sec. 7. 35-A MRSA §10110, sub-§4-A, ¶C, as enacted by PL 2013, c 369, Pt A, §20 and affected by §30, is amended to read

C Maximize total electricity savings for all ratepayers-, and

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Sec. 8. 35-A MRSA §10110, sub-§4-A, ¶D is enacted to read

D Include all beneficial electrification measures that are cost-effective and reliably reduce electricity rates over the life of the measures In determining whether a measure is cost-effective, the commission shall account for all net energy costs, including savings from avoided heating, transportation or industrial process fuels displaced by the measure

Sec. 9. Study; report required. The Public Utilities Commission shall conduct a study on how to cost-effectively provide consumer financing of beneficial electrification products, including products for energy efficiency, home or business energy storage, electric vehicle charging equipment and other distributed energy products through methods including, but not limited to, on-bill financing by standard-offer service providers or competitive electricity providers, or through some combination thereof The study must provide analysis of the relative advantages and disadvantages of each financing method considered by the commission compared to existing and planned offerings of other finance initiatives in the State, including but not limited to the offerings of the Efficiency Maine Trust, the Maine State Housing Authority and the Finance Authority of Maine The study must also review consumer protection provisions used by other jurisdictions that permit on-bill financing By January 5, 2024, the commission shall submit to the Joint Standing Committee on Energy, Utilities and Technology a report on the study required by this section The committee may report out a bill during the Second Regular Session of the 131st Legislature concerning the subject matter of the report

Sec. 10. Appropriations and allocations. The following appropriations and allocations are made

PUBLIC UTILITIES COMMISSION

Public Utilities - Administrative Division 0184

Initiative Provides allocations for expenditures related to contracted consulting services

OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
All Other	\$202,042	\$0
OTHER SPECIAL REVENUE FUNDS TOTAL	\$202,042	\$0

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

SUMMARY

- This amendment replaces the bill and does the following
- 1 It amends the definition of "beneficial electrification" to include a process
 - 2 It allows the Governor's Energy Office to petition the Public Utilities Commission to procure energy from renewable resources and allows the commission to pay for the costs associated with the office's petition

COMMITTEE AMENDMENT "A" to S P 688, L D 1724

1 3 It requires the commission to evaluate a petition submitted by the office and allows
2 the commission to initiate a competitive solicitation to approve one or more contracts for
3 energy from renewable resources

4 4 It directs the Efficiency Maine Trust to develop a 3-year beneficial electrification
5 plan as a part of its triennial plan and allows the commission to pay for the costs associated
6 with implementing the beneficial electrification plan

7 5 It requires, to the extent possible through readily available information, the office,
8 the commission and the trust to monitor beneficial electrification activities, trends and costs
9 and benefits to ratepayers

10 6 It requires the commission, the office and the trust to include information on
11 beneficial electrification activities in each entity's annual report to the Legislature

12 7 It directs the commission to conduct a study of how to cost-effectively provide
13 consumer financing of beneficial electrification products, including products for energy
14 efficiency, home or business energy storage, electric vehicle charging equipment and other
15 distributed energy products The commission must submit a report on the study to the Joint
16 Standing Committee on Energy, Utilities and Technology by January 5, 2024

FISCAL NOTE REQUIRED

(See attached)

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131st MAINE LEGISLATURE

LD 1724

LR 2046(02)

An Act to Enact the Beneficial Electrification Policy Act

Fiscal Note for Bill as Amended by Committee Amendment "A" (S 357)
 Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Appropriations/Allocations				
Other Special Revenue Funds	\$202,042	\$0	\$0	\$0
Revenue				
Other Special Revenue Funds	\$202,042	\$0	\$0	\$0

Fiscal Detail and Notes

This bill establishes a beneficial electrification policy for the State. The bill defines beneficial electrification, allows the Governor's Energy Office (GEO) to petition the Public Utilities Commission (PUC) for renewable energy procurement, directs the Efficiency Maine Trust (EMT) to develop a 3-year beneficial electrification plan to be included in its triennial plan and requires additional monitoring and reporting on beneficial electrification activities in support of the policy's established goals.

The bill includes a one-time allocation of \$202,042 in fiscal year 2023-24 to the PUC for contracted consulting services. Since the PUC is funded by assessments on impacted utilities set to produce sufficient revenue for the expenditures needed to operate it, the increased allocations require a corresponding increase in revenue from those assessments.

The bill allows the GEO and the EMT to request transfers of funds from the PUC Regulatory Fund or the PUC Reimbursement Fund to pay for expenditures related to a petition for procurement of energy from renewable resources, in the case of the GEO, and for expenditures related to the implementation of the 3-year beneficial electrification plan, in the case of the EMT.