

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1850

S.P. 751

In Senate, April 27, 2023

An Act Relating to Energy Storage and the State's Energy Goals

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 VITELLI of Sagadahoc.
Cosponsored by Representative ZEIGLER of Montville and
Senators: BRENNER of Cumberland, DAUGHTRY of Cumberland, President JACKSON of
Aroostook, LAWRENCE of York, Representative: TERRY of Gorham.

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

2 **Sec. 1. 35-A MRSA §3145**, as amended by PL 2021, c. 676, Pt. A, §49, is further
3 amended to read:

4 **§3145. State energy storage policy goals**

5 The state goal for energy storage system development is at least 300 megawatts of
6 installed capacity located within the State by December 31, 2025 and at least 400
7 megawatts of installed capacity located within the State by December 31, 2030. Beginning
8 January 1, ~~2034~~ 2024, and every 2 years thereafter, the Governor's Energy Office
9 established in Title 2, section 9 ~~shall set~~ may reevaluate and increase the state goal for
10 energy storage system development and report that goal to the joint standing committee of
11 the Legislature having jurisdiction over energy and utilities matters. For the purposes of
12 this section, "energy storage system" has the same meaning as in section 3481, subsection
13 6.

14 **Sec. 2. 35-A MRSA §3204, sub-§6**, as enacted by PL 1997, c. 316, §3, is amended
15 to read:

16 **6. Generation assets permitted.** On or after March 1, 2000, notwithstanding any
17 other provision in this chapter, the commission may allow an investor-owned transmission
18 and distribution utility to own, have a financial interest in or otherwise control generation
19 and generation-related assets to the extent that the commission finds that ownership,
20 interest or control is necessary for the utility to perform its obligations as a transmission
21 and distribution utility in an efficient manner.

22 The commission shall by rule establish conditions under which an investor-owned
23 transmission and distribution utility may own, have a financial interest in or otherwise
24 control energy storage systems, as defined in section 3481, subsection 6, in order to perform
25 its obligations as a transmission and distribution utility in an efficient manner. Rules
26 adopted under this subsection are routine technical rules pursuant to Title 5, chapter 375,
27 subchapter 2-A.

28 **Sec. 3. Maine energy storage program development.** The Governor's Energy
29 Office, established in the Maine Revised Statutes, Title 2, section 9, referred to in this
30 section as "the office," shall, in consultation with the Public Utilities Commission, evaluate
31 designs for a program to procure commercially available utility-scale energy storage
32 systems connected to the transmission and distribution systems, including, but not limited
33 to, through the use of an index storage credit mechanism.

34 1. In evaluating programs for the procurement of energy storage systems, the office
35 shall consider programs that are likely to be cost-effective for ratepayers and that are likely
36 to achieve the following objectives:

37 A. Advance both the State's climate and clean energy goals and the state energy storage
38 policy goals established in Title 35-A, section 3145 through the development of up to
39 200 megawatts of incremental energy storage capacity located in the State;

40 B. Provide one or more net benefits to the electric grid and to ratepayers, including, but
41 not limited to, improved reliability, improved resiliency and incremental delivery of
42 renewable electricity to customers;

43 C. Maximize the value of federal incentives; and

1 D. Enable the highest value energy storage projects, specifically energy storage
2 systems in preferred locations, projects that can serve as an alternative to upgrades of
3 the existing transmission system and projects of optimal duration.

4 For purposes of this subsection, "index storage credit mechanism" means a mechanism for
5 setting contract prices for energy storage capacity using the difference between a
6 competitively bid price, or strike price, and daily reference prices calculated using an index
7 designed to approximate wholesale market revenues available for each megawatt-hour of
8 capacity and including a mechanism to provide for a net payment from the operator of the
9 storage capacity project to ratepayers in the event the reference price exceeds the strike
10 price.

11 2. The office shall encourage interested parties to submit relevant information to inform
12 the evaluation under subsection 1.

13 3. No later than March 31, 2024, the office shall complete the evaluation required under
14 subsection 1 and provide its recommendations to the Public Utilities Commission for a
15 program to procure up to 200 megawatts of energy storage capacity.

16 4. No later than December 31, 2024, the Public Utilities Commission shall review the
17 recommendations of the report and determine whether the program recommended by the
18 office is reasonably likely to achieve the objectives established in subsection 1. Upon
19 finding the proposed program reasonably likely to achieve the objectives established in
20 subsection 1, the Public Utilities Commission shall take steps to implement the program in
21 accordance with any applicable authority the commission may have under law and may
22 submit to the joint standing committee of the Legislature having jurisdiction over energy
23 matters recommendations for any changes to law needed to allow the commission to fully
24 implement the program. The joint standing committee may report out legislation related to
25 energy storage to the 132nd Legislature in 2025.

26 **Sec. 4. Governor's Energy Office; long-duration energy storage report.** The
27 Governor's Energy Office shall study long-duration energy storage, including opportunities
28 for new and emerging long-duration energy storage technology that would support the
29 State's need for clean, firm power generation in support of the State's climate and clean
30 energy goals. The office shall submit a report, along with any recommendations, to the
31 Joint Standing Committee on Energy, Utilities and Technology no later than February 1,
32 2024. The joint standing committee may report out a bill related to the report to the Second
33 Regular Session of the 131st Legislature. The report must include, but is not limited to:

34 1. A discussion of technology options for long-duration energy storage, including
35 emerging technologies and a description of their technical operation and commercial
36 viability, that may be feasible within the State and New England between 2023 and 2040;

37 2. An overview of known cost and performance characteristics, as well as development
38 considerations by technology, such as development timelines, siting requirements or safety
39 considerations; and

40 3. A discussion of scenarios for long-duration energy storage technologies, such as
41 serving as peaking capacity, providing winter reliability or providing benefits through
42 colocation with renewable resources.

1 available utility-scale energy storage systems connected to the transmission and
2 distribution systems, including but not limited to the use of an index storage credit
3 mechanism. It directs the Public Utilities Commission to evaluate whether the program
4 recommended by the office is reasonably likely to achieve the certain objectives. Upon
5 finding the proposed program reasonably likely to achieve those objectives, the Public
6 Utilities Commission is directed to take steps to implement the program in accordance with
7 any applicable authority the commission may have and may submit to the joint standing
8 committee of the Legislature having jurisdiction over energy matters recommendations for
9 any changes to law needed to allow the commission to fully implement the program. The
10 joint standing committee may report out legislation related to energy storage to the 132nd
11 Legislature in 2025.

12 3. It directs the Governor's Energy Office to study long-duration energy storage,
13 including opportunities for new and emerging long-duration energy storage technologies
14 that would support the State's need for clean, firm power generation in support of the State's
15 climate and clean energy goals. The office is directed to submit a report, along with any
16 recommendations, to the Joint Standing Committee on Energy, Utilities and Technology
17 no later than February 1, 2024. The committee may report out a bill related to the report to
18 the Second Regular Session of the 131st Legislature.

19 4. It provides that upon written request of the Governor's Energy Office, for the
20 purposes of allowing the office to conduct the studies, the Public Utilities Commission is
21 required to provide reasonable technical, legal and other assistance as well as funding for
22 staff and consultants in an amount not to exceed \$300,000.

23 5. It directs the Public Utilities Commission to adopt rules establishing conditions
24 under which an investor-owned transmission and distribution utility may own, have a
25 financial interest in or otherwise control energy storage systems in order to perform its
26 obligations as a transmission and distribution utility in an efficient manner.