

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals  
(may include minor formatting differences from printed original)



# 131st MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2023

---

Legislative Document

No. 1888

S.P. 763

In Senate, May 4, 2023

**An Act to Reduce Electricity Costs for Maine's Consumers and  
Businesses by Amending the Laws Governing Renewable Resources**

(EMERGENCY)

---

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 GROHOSKI of Hancock.  
Cosponsored by Representative WARREN of Scarborough and  
Representative: KESSLER of South Portland.

1           **Emergency preamble.** Whereas, acts and resolves of the Legislature do not  
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3           **Whereas,** this legislation needs to take effect before the expiration of the 90-day  
4 period in order to achieve savings for electricity ratepayers, who are experiencing extreme  
5 rate increases, as soon as possible; and

6           **Whereas,** in the judgment of the Legislature, these facts create an emergency within  
7 the meaning of the Constitution of Maine and require the following legislation as  
8 immediately necessary for the preservation of the public peace, health and safety; now,  
9 therefore,

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

11           **Sec. 1. 35-A MRSA §3210, sub-§2, ¶A-1,** as amended by PL 2019, c. 477, §1, is  
12 further amended to read:

13           A-1. "Alternative compliance payment rate" means a certain dollar amount per  
14 kilowatt-hour set by the commission that a competitive electricity provider may pay to  
15 the commission to satisfy the portfolio requirements of subsections 3, 3-A, 3-B and  
16 3-C.

17           **Sec. 2. 35-A MRSA §3210, sub-§9,** as amended by PL 2021, c. 199, §1, is further  
18 amended to read:

19           **9. Alternative compliance payment.** The commission shall allow competitive  
20 electricity providers to satisfy the portfolio requirements for Class I resources under  
21 subsection 3-A, Class IA resources under subsection 3-B ~~and~~, thermal renewable energy  
22 credits under subsection 3-C and Class II resources under subsection 3 through an  
23 alternative compliance payment mechanism in accordance with this subsection.

24           A. The commission shall set the alternative compliance payment ~~rate~~ rates by rule,  
25 which may not be greater than \$50 for the requirements under subsections 3-A, 3-B  
26 and 3-C and not greater than \$5 for the requirement under subsection 3, and shall  
27 publish the alternative compliance payment ~~rate~~ rates by ~~January 31st~~ November 1st  
28 of each the preceding year. In setting the ~~rate~~ rates, the commission shall take into  
29 account prevailing market prices, historical prices, standard-offer service prices for  
30 electricity, reliance on alternative compliance payments to meet the requirements of  
31 subsections 3, 3-A, 3-B and 3-C and investment in Class I and Class IA resources and  
32 thermal renewable energy credits in the State during the previous calendar year,  
33 including investments that may affect the availability or price of Class II resources. In  
34 setting the alternative compliance payment rate for Class II resources, the commission  
35 shall balance the costs to ratepayers in the State with the interest of Class II resource  
36 investors in receiving a reasonable return on their investment.

37           B. The commission shall collect alternative compliance payments to meet the  
38 requirements of subsections 3, 3-A and 3-B made by competitive electricity providers  
39 and shall deposit all funds collected under this paragraph in the Energy Efficiency and  
40 Renewable Resource Fund established under section 10121, subsection 2 to be used to  
41 fund research, development and demonstration projects relating to renewable energy  
42 technologies and to fund rebates for cost-effective renewable energy technologies.

1 C. The commission shall collect alternative compliance payments to meet the  
2 requirements of subsection 3-C made by competitive electricity providers and shall  
3 deposit all funds collected under this paragraph in the Thermal Energy Investment  
4 Fund established under section 10128, subsection 2 to be used to fund incentives and  
5 low-interest or no-interest loans to businesses, municipalities, educational institutions  
6 and nonprofit entities in the State for the installation of new thermal energy-derived  
7 projects.

8 The commission shall adopt rules to implement this subsection. Rules adopted under this  
9 subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

10 **Sec. 3. 35-A MRSA §3210, sub-§11**, as enacted by PL 2019, c. 477, §1, is amended  
11 to read:

12 **11. Report; ~~Class IA resource and thermal renewable energy credit portfolio~~**  
13 **requirements.** By ~~March 31~~ February 1, 2024 and every 5 years thereafter, the  
14 ~~commission~~ Governor's Energy Office shall submit a report to the joint standing committee  
15 of the Legislature having jurisdiction over energy matters based on a review, conducted in  
16 consultation with the ~~Governor's Energy Office commission~~, of the status and impacts of  
17 the implementation of the portfolio requirements for ~~Class IA~~ renewable resources under  
18 ~~subsection~~ subsections 3, 3-A and 3-B and thermal renewable energy credits under  
19 subsection 3-C. The review must be completed through a public process and must include  
20 consideration of impacts of these renewable portfolio requirements on energy prices and  
21 assessment of benefits, including but not limited to on greenhouse gas emissions and the  
22 economy of the State. ~~The report required under this subsection may be submitted in~~  
23 ~~conjunction with the report required under subsection 3-A, paragraph C.~~ After reviewing  
24 the report required under this subsection, the committee may report out legislation  
25 regarding renewable portfolio requirements.

26 **Sec. 4. Rulemaking.** Notwithstanding the Maine Revised Statutes, Title 35-A,  
27 section 3210, subsection 9, paragraph A, the Public Utilities Commission shall initiate  
28 rulemaking to set the alternative compliance payment rate for Class II resources no later  
29 than August 1, 2023 and the initial rate takes effect upon completion of rulemaking.

30 **Emergency clause.** In view of the emergency cited in the preamble, this legislation  
31 takes effect when approved.

32 **SUMMARY**

33 This bill requires the Public Utilities Commission to establish an alternative  
34 compliance payment rate by rule for competitive electricity providers to satisfy the  
35 portfolio requirements for Class II resources and establishes a maximum rate for that  
36 alternative compliance option of \$5. In establishing the alternative compliance payment  
37 rate, the bill adds that the commission must balance the interests of resource investors with  
38 the interests of ratepayers. In establishing the alternative compliance rates for Class I, Class  
39 IA, Class II and thermal renewable energy credits, the commission must consider historical  
40 prices in addition to other factors.

41 It also requires the Governor's Energy Office, in consultation with the Public Utilities  
42 Commission, to review the impacts of the State's renewable resource portfolio requirements

1 and submit a report to the joint standing committee of the Legislature having jurisdiction  
2 over energy matters by February 1, 2024 and every 5 years thereafter.