

# MAINE STATE LEGISLATURE

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# 131st MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2023

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Legislative Document

No. 1986

S.P. 815

In Senate, May 22, 2023

### **An Act Relating to Net Energy Billing and Distributed Solar and Energy Storage Systems**

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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 LAWRENCE of York.  
Cosponsored by Representative ZEIGLER of Montville.

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

2 **Sec. 1. 2 MRSA §9, sub-§6-A** is enacted to read:

3 **6-A. Distributed Solar and Energy Storage Program.** The Distributed Solar and  
4 Energy Storage Program, referred to in this subsection as "the program," is established to  
5 provide funding to foster the continued growth of cost-effective distributed solar facilities  
6 and energy storage systems in this State. The office, as funding allows, shall develop the  
7 program no later than July 1, 2024.

8 A. As used in this subsection, the following terms have the following meanings.

9 (1) "Distributed solar facility" means a solar generating facility:

10 (a) Interconnected to a transmission and distribution utility as defined in Title  
11 35-A, section 102, subsection 20-B; and

12 (b) That is colocated with an energy storage system.

13 (2) "Energy storage system" has the same meaning as in Title 35-A, section 3481,  
14 subsection 6.

15 B. The program must be designed to obtain and provide available federal funds to  
16 support cost-effective distributed solar facilities and energy storage systems. The  
17 program must be consistent with the recommendations contained in the Final Report  
18 of the Distributed Generation Stakeholder Group dated January 6, 2023 and submitted  
19 by the office to the Joint Standing Committee on Energy, Utilities and Technology  
20 pursuant to Public Law 2021, chapter 390, section 4. The office shall consult with the  
21 Public Utilities Commission in developing and administering the program.

22 C. In order to support the office in administering the program, the office may receive  
23 funds from the Public Utilities Commission.

24 D. The office shall apply for available federal funds to fund the program, including,  
25 but not limited to, funds from the United States Environmental Protection Agency's  
26 Greenhouse Gas Reduction Fund. Nothing in this paragraph limits other uses of federal  
27 funds received by the office consistent with applicable federal requirements.

28 **Sec. 2. 35-A MRSA §3209-A, sub-§1, ¶B,** as enacted by PL 2019, c. 478, Pt. A,  
29 §3, is amended to read:

30 B. "Distributed generation resource" means an electric generating facility that uses a  
31 renewable fuel or technology under section 3210, subsection 2, paragraph B-3 and is  
32 located in the service territory of a transmission and distribution utility in the State.  
33 "Distributed generation resource" does not include an electric generating facility with  
34 a nameplate capacity greater than 660 kilowatts that was placed in service prior to  
35 November 25, 2019.

36 **Sec. 3. 35-A MRSA §3209-C** is enacted to read:

37 **§3209-C. Net energy billing cost recovery**

38 The commission shall ensure that net energy billing benefits and net energy billing  
39 costs are allocated in accordance with this section.

40 **1. Definitions.** As used in this section, unless the context otherwise indicates, the  
41 following terms have the following meanings.

1 A. "Net energy billing" means net energy billing arrangements under section 3209-A  
2 or 3209-B.

3 B. "Net energy billing benefits" means all benefits determined by the commission to  
4 be reasonably attributable to net energy billing, including but not limited to:

5 (1) Avoided energy and capacity costs. In determining avoided energy and  
6 capacity costs, the commission shall use reasonable estimates of energy and  
7 capacity market prices and account for transmission and distribution line losses.  
8 The commission may determine different avoided costs for different time periods,  
9 including but not limited to peak and off-peak periods and summer and winter  
10 periods;

11 (2) Avoided transmission and distribution costs. In determining avoided  
12 transmission and distribution costs, the commission shall use estimates of the  
13 marginal transmission and distribution costs and may determine different avoided  
14 costs for different time periods;

15 (3) Avoided fossil fuel costs. The commission shall determine avoided fossil fuel  
16 costs based on estimated reductions in oil, gas or other fossil fuel use and estimated  
17 market prices for these fuels;

18 (4) Avoided transmission and distribution line losses;

19 (5) Demand reduction induced price effects; and

20 (6) Transmission and distribution plant extensions or upgrades funded by net  
21 energy billing customers.

22 C. "Net energy billing costs" means all legitimate and verifiable costs incurred by a  
23 transmission and distribution utility directly attributable to net energy billing. "Net  
24 energy billing costs" does not include any costs incurred by a project sponsor, as  
25 defined in section 3209-A, subsection 1, paragraph D, a net energy billing customer or  
26 any other entity, as determined by the commission by rule.

27 **2. Determination of costs and benefits.** The commission shall annually determine the  
28 net energy billing costs and net energy billing benefits for the previous year.

29 A. When determining the avoided energy and capacity costs under subsection 1,  
30 paragraph B, subparagraph (1), the commission shall use any available regional  
31 avoided energy supply cost study that the commission finds has been developed  
32 through a transparent process, with input from state agencies, public advocates and  
33 utilities or energy efficiency administrators from at least 3 other states in New England.  
34 When relevant information specific to the State is not provided in the regional study,  
35 the commission may use the regional information in the regional study or information  
36 from other sources supported by evidence in the commission's record.

37 B. To the extent possible, the commission shall ensure net energy billing benefits  
38 accrue to ratepayers.

39 C. The commission shall allocate to each investor-owned transmission and distribution  
40 utility its pro rata share of net energy billing costs and net energy billing benefits. The  
41 allocation must be based on each utility's total retail kilowatt-hour energy sales to  
42 ratepayers that pay net energy billing costs and receive net energy billing benefits. The  
43 commission may determine the means to be used for the allocation required under this

