

MAINE STATE LEGISLATURE

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L.D. 32

Date: 3/26/26

(Filing No. S-588)

MINORITY
ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE
SENATE
132ND LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "B" to S.P. 49, L.D. 32, "An Act to Repeal the Laws Regarding Net Energy Billing"

Amend the bill by striking out the title and substituting the following:

'An Act to Reverse Recent Modifications Made to the Law Governing Net Energy Billing and Distributed Generation'

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

'Sec. 1. 26 MRSA §1304, sub-§1-A, as enacted by PL 2021, c. 705, §2, is amended by amending the first blocked paragraph to read:

"Assisted project" does not include a project for which the Public Utilities Commission approved a term sheet or contract or otherwise provided project-specific authorization or approval pursuant to Title 35-A on or before June 29, 2021 ~~or a project that is participating in net energy billing and that meets the requirements of Title 35-A, section 3209-A, subsection 7 or Title 35-A, section 3209-B.~~

Sec. 2. 35-A MRSA §102, sub-§4-D is enacted to read:

4-D. Energy storage system. "Energy storage system" means a commercially available technology that uses mechanical, chemical or thermal processes for absorbing energy and storing it for a period of time for use at a later time.

Sec. 3. 35-A MRSA §3145, first ¶, as amended by PL 2025, c. 105, §1, is further amended to read:

The state goal for energy storage system development is at least 300 megawatts of installed capacity located within the State by December 31, 2025 and at least 400 megawatts of installed capacity located within the State by December 31, 2030. Beginning January 15, 2027, and every 2 years thereafter, when updating the state energy plan in accordance with ~~Title 2, section 9, subsection 3, paragraph C, the Governor's Energy Office established in Title 2, section 9~~ section 10305, subsection 1, the Department of Energy Resources shall reevaluate and may increase the state goal for energy storage system

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1 development and shall, in the state energy plan, report any increase to the goal to the joint
 2 standing committee of the Legislature having jurisdiction over energy and utilities matters.
 3 ~~For the purposes of this section, "energy storage system" has the same meaning as in section~~
 4 ~~3481, subsection 6.~~

5 **Sec. 4. 35-A MRSA §3209-A**, as amended by PL 2025, c. 50, §1; c. 430, §§1 to 3;
 6 and c. 575, §4, is repealed and the following enacted in its place:

7 **§3209-A. Net energy billing**

8 The commission may adopt or amend rules governing net energy billing. Rules adopted
 9 or amended under this section are major substantive rules as defined in Title 5, chapter 375,
 10 subchapter 2-A. For the purposes of this section, "net energy billing" means a billing and
 11 metering practice under which a customer is billed on the basis of the difference between
 12 the kilowatt-hours delivered by a transmission and distribution utility to the customer over
 13 a billing period and the kilowatt-hours delivered by the customer to the transmission and
 14 distribution utility over the billing period, taking into account accumulated unused
 15 kilowatt-hour credits from the previous billing period.

16 **Sec. 5. 35-A MRSA §3209-B**, as amended by PL 2025, c. 430, §§4 to 6, is repealed.

17 **Sec. 6. 35-A MRSA §3209-C, sub-§1**, as corrected by RR 2023, c. 2, Pt. A, §55,
 18 is amended to read:

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

21 A. "Benefits of distributed generation under net energy billing" means all benefits
 22 determined by the commission to be reasonably attributable to distributed generation
 23 projects under ~~sections section 3209-A and 3209-B~~, including but not limited to:

24 (1) Avoided energy and capacity costs. In determining avoided energy and
 25 capacity costs, the commission shall use reasonable estimates of energy and
 26 capacity market prices and account for transmission and distribution line losses.
 27 The commission may determine different avoided costs for different time periods,
 28 including, but not limited to, peak and off-peak periods and summer and winter
 29 periods;

30 (2) Avoided transmission and distribution costs. In determining avoided
 31 transmission and distribution costs, the commission shall use estimates of the
 32 marginal transmission and distribution costs and may determine different avoided
 33 costs for different time periods;

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

37 (4) Avoided transmission and distribution line losses;

38 (5) Demand reduction induced price effects;

39 (6) Transmission and distribution plant extensions or upgrades funded by net
 40 energy billing customers; and

41 (7) Any other benefits identified by the commission.

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

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

8 Sec. 7. 35-A MRSA §3209-E, as amended by PL 2025, c. 430, §8, is repealed.

9 Sec. 8. 35-A MRSA §3209-F, as enacted by PL 2025, c. 430, §9 and c. 532, §1, is
10 repealed.

11 Sec. 9. 35-A MRSA §3209-G, as enacted by PL 2025, c. 430, §10, is repealed.

12 Sec. 10. 35-A MRSA §3209-H, as enacted by PL 2025, c. 430, §11, is repealed.

13 Sec. 11. 35-A MRSA §3209-I, as enacted by PL 2025, c. 430, §12, is repealed.

14 Sec. 12. 35-A MRSA §3210-G, sub-§1, ¶D, as enacted by PL 2019, c. 477, §2, is
15 amended by repealing the first blocked paragraph.

16 Sec. 13. 35-A MRSA §3210-G, sub-§3, as amended by PL 2025, c. 430, §13, is
17 further amended to read:

18 3. Report. No later than March 31, 2023 and biennially thereafter, the commission
19 shall submit a report regarding the status of contracts for Class IA resources under this
20 section and the status of contracts for energy or renewable energy credits from distributed
21 generation resources under former section 3209-H to the joint standing committee of the
22 Legislature having jurisdiction over utilities and energy matters. The report must include,
23 but is not limited to, a description of Class IA resources participating in competitive
24 solicitations, information about the resources selected for contracts and the selection
25 process, the benefits and costs of the contracts and recommendations about how to further
26 stimulate investment in Class IA resources or achieve ratepayer benefits from Class IA
27 resources. The report may include information about benefits and costs of the contracts to
28 the State's economy, environmental quality or electricity consumers over both the short and
29 long terms. Any analysis of the benefits or costs of the contracts must be based on a forecast
30 of all avoided costs resulting from the contracts that is transparent and balanced over the
31 long term.

32 Sec. 14. 35-A MRSA §3210-I, sub-§3, ¶A, as amended by PL 2023, c. 660, §8,
33 is further amended to read:

34 A. The proposals must be required to cover a contract term of 20 years, except that the
35 commission may, in its discretion, approve a contract term of a different duration, and
36 must include provisions for the construction, development and subsequent commercial
37 operation of one or more qualified renewable energy generation projects in northern
38 Maine that will be designed to connect to and transmit generated power using the
39 transmission line or lines to be constructed pursuant to subsection 2. The commission
40 may consider only proposals for the construction of Class I and Class IA resources, as
41 defined in section 3210, subsection 2, and energy storage systems, except that the
42 commission may not consider proposals for the construction of biomass generators

1 fueled by landfill gas or by anaerobic digestion of agricultural products, by-products
 2 or waste, or waste-to-energy generation facilities fueled by municipal solid waste. ~~For~~
 3 ~~the purposes of this section, "energy storage system" means a commercially available~~
 4 ~~technology that uses mechanical, chemical or thermal processes for absorbing energy~~
 5 ~~and storing it for a period of time for use at a later time.~~

6 **Sec. 15. 35-A MRSA §3210-J, sub-§1, ¶D**, as enacted by PL 2023, c. 321, §3, is
 7 repealed.

8 **Sec. 16. 35-A MRSA §3214, sub-§2, ¶C**, as enacted by PL 2023, c. 230, §2, is
 9 amended to read:

10 C. Receive funds remitted by transmission and distribution utilities with net energy
 11 billing arrangements for expired kilowatt-hour credits in accordance with ~~section~~
 12 ~~3209-A, subsection 8~~ rules adopted by the commission pursuant to section 3209-A.

13 **Sec. 17. 35-A MRSA §3401-A, sub-§13**, as enacted by PL 2023, c. 481, §2, is
 14 repealed and the following enacted in its place:

15 **13. Nameplate capacity.** "Nameplate capacity" means the installed or rated capacity
 16 of a power generator.

17 **Sec. 18. 35-A MRSA §3474, sub-§3**, as amended by PL 2023, c. 307, §5, is further
 18 amended to read:

19 **3. Interconnection rules.** The commission shall adopt rules related to the
 20 interconnection of renewable capacity resources, as defined in section 3210-C, subsection
 21 1, paragraph E, using solar power, referred to in this subsection as "solar resources," and
 22 energy storage systems, ~~as defined in section 3481, subsection 6~~, whether or not colocated
 23 with solar resources, to investor-owned transmission and distribution utilities, as defined
 24 in section 3201, subsection 11-A, in a manner that supports the goals in this section and
 25 ensures:

26 A. The State's interconnection rules reflect nationally recognized best practices, which
 27 may include, but are not limited to, those established by the Interstate Renewable
 28 Energy Council, or successor organization, and prioritize interconnection of solar
 29 resources and energy storage systems owned by customers of investor-owned
 30 transmission and distribution utilities and used to serve an on-site load;

31 B. Customers affected by deficiencies in the rules are able to access timely resolution
 32 processes that do not place an undue burden on the customer; and

33 C. Investments in investor-owned transmission and distribution utility distribution
 34 upgrades related to load are coordinated with utility infrastructure upgrades required
 35 for the interconnection of renewable capacity resources using solar power and energy
 36 storage systems.

37 Rules adopted under this subsection are routine technical rules as defined in Title 5, chapter
 38 375, subchapter 2-A.

39 **Sec. 19. 35-A MRSA c. 34-C**, as amended, is repealed.

40 **Sec. 20. 35-A MRSA §3623, sub-§3, ¶C**, as enacted by PL 2021, c. 604, §3, is
 41 amended to read:

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1 C. Satisfy the limits on net generating capacity established in subsection 2, paragraph
2 A; and

3 Sec. 21. 35-A MRSA §3623, sub-§3, ¶D, as amended by PL 2023, c. 353, §5, is
4 further amended to read:

5 D. Be highly efficient, as determined by the commission on a technology-specific
6 basis; ~~and,~~

7 Sec. 22. 35-A MRSA §3623, sub-§3, ¶E, as enacted by PL 2021, c. 604, §3, is
8 repealed.

9 Sec. 23. 35-A MRSA §10102, sub-§5-A, as enacted by PL 2021, c. 298, §2, is
10 repealed.

11 Sec. 24. 35-A MRSA §10202, sub-§7, ¶B, as enacted by PL 2021, c. 142, §1, is
12 amended to read:

13 B. Involve a renewable energy installation, an energy storage system ~~as defined in~~
14 ~~section 3481, subsection 6,~~ an electric thermal storage system, electric vehicle supply
15 equipment or heating equipment that meets or exceeds standards established or
16 approved by the trust. Heating equipment that is not a renewable energy installation
17 must be heating equipment that produces the lowest carbon emissions of any heating
18 equipment reasonably available to the property owner, as determined by the trust, and
19 must meet the requirements of section 10204, subsection 1, paragraph B.

20 Sec. 25. 35-A MRSA §10311, sub-§1, ¶C, as enacted by PL 2025, c. 476, Pt. A,
21 §16, is repealed.

22 Sec. 26. 36 MRSA §655, sub-§1, ¶U, as amended by PL 2023, c. 682, §2, is further
23 amended by amending the 2nd blocked paragraph to read:

24 This paragraph applies to solar energy equipment for property tax years beginning
25 before April 1, 2025; ~~and~~

26 Sec. 27. 36 MRSA §655, sub-§1, ¶V, as enacted by PL 2023, c. 682, §3, is
27 amended to read:

28 V. For the property tax years beginning on ~~or after~~ April 1, 2025 and April 1, 2026,
29 solar energy equipment that generates heat or electricity if:

- 30 (1) All of the energy is used on the site where the property is located;
- 31 (2) The equipment is collocated with a net energy billing customer that is or net
32 energy billing customers that are subscribed to at least 50% of the facility's output;
33 or
- 34 (3) All of the energy is transmitted through the facilities of a transmission and
35 distribution utility and a utility customer or customers receive a utility bill credit
36 for the energy generated by the equipment pursuant to Title 35-A, section 3209-A
37 or former section 3209-B and the generator of electricity entered into a fully
38 executed interconnection agreement with a transmission and distribution utility
39 prior to June 1, 2024.

40 On or before April 1st of the first property tax year for which a taxpayer claims an
41 exemption under this paragraph, the taxpayer claiming the exemption shall file a report

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1 with the assessor. The report must identify the property for which the exemption is
 2 claimed and must be made on a form prescribed by the State Tax Assessor or a
 3 substitute form approved by the State Tax Assessor. The State Tax Assessor shall
 4 furnish copies of the form to each municipality in the State and make the forms
 5 available to taxpayers; and

6 **Sec. 28. 36 MRSA §655, sub-§1, ¶W** is enacted to read:

7 W. For property tax years beginning on or after April 1, 2027, solar energy equipment
 8 that generates heat or electricity if:

- 9 (1) All of the energy is used on the site where the property is located;
- 10 (2) The equipment is collocated with a net energy billing customer that is or net
 11 energy billing customers that are subscribed to at least 50% of the facility's output;
 12 or
- 13 (3) All of the energy is transmitted through the facilities of a transmission and
 14 distribution utility and a utility customer or customers receive a utility bill credit
 15 for the energy generated by the equipment pursuant to rules adopted in accordance
 16 with Title 35-A, section 3209-A and the generator of electricity entered into a fully
 17 executed interconnection agreement with a transmission and distribution utility
 18 prior to June 1, 2024.

19 On or before April 1st of the first property tax year for which a taxpayer claims an
 20 exemption under this paragraph, the taxpayer claiming the exemption shall file a report
 21 with the assessor. The report must identify the property for which the exemption is
 22 claimed and must be made on a form prescribed by the State Tax Assessor or a
 23 substitute form approved by the State Tax Assessor. The State Tax Assessor shall
 24 furnish copies of the form to each municipality in the State and make the forms
 25 available to taxpayers.

26 **Sec. 29. 36 MRSA §656, sub-§1, ¶L**, as enacted by PL 2023, c. 682, §5, is
 27 amended to read:

28 L. For the property tax years beginning on ~~or after~~ April 1, 2025 and April 1, 2026,
 29 solar energy equipment that generates heat or electricity if:

- 30 (1) All of the energy is used on the site where the property is located;
- 31 (2) The equipment is collocated with a net energy billing customer that is or net
 32 energy billing customers that are subscribed to at least 50% of the facility's output;
 33 or
- 34 (3) All of the energy is transmitted through the facilities of a transmission and
 35 distribution utility and a utility customer or customers receive a utility bill credit
 36 for the energy generated by the equipment pursuant to Title 35-A, section 3209-A
 37 or former section 3209-B and the generator of electricity entered into a fully
 38 executed interconnection agreement with a transmission and distribution utility
 39 prior to June 1, 2024.

40 On or before April 1st of the first property tax year for which a taxpayer claims an
 41 exemption under this paragraph, the taxpayer claiming the exemption shall file a report
 42 with the assessor. The report must identify the property for which the exemption is
 43 claimed and must be made on a form prescribed by the State Tax Assessor or a

1 substitute form approved by the State Tax Assessor. The State Tax Assessor shall
2 furnish copies of the form to each municipality in the State and make the forms
3 available to taxpayers.

4 **Sec. 30. 36 MRSA §656, sub-§1, ¶M** is enacted to read:

5 M. For property tax years beginning on or after April 1, 2027, solar energy equipment
6 that generates heat or electricity if:

- 7 (1) All of the energy is used on the site where the property is located;
- 8 (2) The equipment is collocated with a net energy billing customer that is or net
9 energy billing customers that are subscribed to at least 50% of the facility's output;
10 or
- 11 (3) All of the energy is transmitted through the facilities of a transmission and
12 distribution utility and a utility customer or customers receive a utility bill credit
13 for the energy generated by the equipment pursuant to rules adopted in accordance
14 with Title 35-A, section 3209-A and the generator of electricity entered into a fully
15 executed interconnection agreement with a transmission and distribution utility
16 prior to June 1, 2024.

17 On or before April 1st of the first property tax year for which a taxpayer claims an
18 exemption under this paragraph, the taxpayer claiming the exemption shall file a report
19 with the assessor. The report must identify the property for which the exemption is
20 claimed and must be made on a form prescribed by the State Tax Assessor or a
21 substitute form approved by the State Tax Assessor. The State Tax Assessor shall
22 furnish copies of the form to each municipality in the State and make the forms
23 available to taxpayers.

24 **Sec. 31. Public Utilities Commission to amend rules regarding net energy**
25 **billing.** Within 60 days of the effective date of this Act, the Public Utilities Commission
26 shall initiate rulemaking pursuant to the Maine Revised Statutes, Title 35-A, section
27 3209-A to amend its rule Chapter 313: Customer Net Energy Billing to be substantively
28 equivalent to the rule in effect on March 29, 2017.'

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

31 **SUMMARY**

32 This amendment replaces the bill and changes the title. It repeals the provisions of law
33 enacted by Public Law 2019, chapter 478 related to net energy billing and distributed
34 generation. The amendment repeals or amends provisions of law in the Maine Revised
35 Statutes, Title 35-A that rely on provisions that were enacted by Public Law 2019, chapter
36 478 and are repealed by this amendment. The amendment also repeals certain provisions
37 of law related to net energy billing that were enacted after Public Law 2019, chapter 478
38 and repeals the section of law directing the Governor's Energy Office to design a front of
39 the meter distributed energy resources program. It directs the Public Utilities Commission
40 to initiate rulemaking to amend its rule regarding net energy billing to be substantially
41 similar to that in effect on March 29, 2017. For tax years beginning on or after April 1,
42 2027, the amendment also limits tax exemptions for solar energy equipment applicable to

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customers receiving a utility bill credit for energy generated by the equipment pursuant to a provision of the Maine Revised Statutes that was repealed by this amendment.

FISCAL NOTE REQUIRED

(See attached)



132nd MAINE LEGISLATURE

LD 32

LR 75(03)

An Act to Repeal the Laws Regarding Net Energy Billing

Fiscal Note for Bill as Amended by Committee Amendment 'B' (S-588)
Committee: Energy, Utilities and Technology
Fiscal Note Required: Yes

Fiscal Note

Potential future biennium savings - General Fund
Potential future biennium revenue increase - General Fund

Fiscal Detail and Notes

This bill repeals 35-A MRSA §3209-B, which pertains to commercial and institutional customer net energy billing and corresponding property tax exemptions and requires the Public Utilities Commission (PUC) to amend its rule Chapter 13: Customer Net Energy Billing. As a result, a decrease in property tax exemption reimbursements to municipalities beginning in fiscal year 2028-29 is expected, however, the extent of General Fund savings cannot be determined at this time due to the uncertainty of the PUC rulemaking process to institute a substantively equivalent rule pursuant to 35-A MRSA §3209-A. In addition, the bill could result in a sales tax revenue gain due to reduced eligibility for the exemptions, the amount of which cannot be determined at this time.

Any additional costs to the Public Utilities Commission from the provisions of this bill are expected to be minor and can be absorbed within existing budgeted resources.