

MAINE STATE LEGISLATURE

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*State Of Maine
122nd Legislature*

*First Regular Session and
First Special Session*

Bill Summaries

*Joint Standing Committee
on
Utilities and Energy*

August 2005

Members:

*Sen. Philip L. Bartlett II, Chair
Sen. Scott W. Cowger
Sen. Carol Weston*

*Rep. Lawrence Bliss, Chair
Rep. Herbert Adams
Rep. Peter L. Rines*

*Rep. Christopher W. Babbidge
Rep. John R. Brautigam
Rep. Kenneth C. Fletcher
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Rep. Everett W. McLeod, Sr.*

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Maine State Legislature

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122nd Legislature
First Regular Session and First Special Session

Summary of Legislation Considered by the Joint Standing Committees
August 2005

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing select committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills considered by the committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. A subject index for each committee is included immediately before the bill summaries for that committee, and a numerical index by LD number is included at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

- CARRIED OVER Bill Carried Over to Second Regular Session
CON RES XXX..... Chapter # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; bill died
DIED BETWEEN BODIES..... House & Senate disagree; bill died
DIED IN CONCURRENCE..... One body accepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT..... Action incomplete when session ended; bill died
EMERGENCY..... Enacted law takes effect sooner than 90 days
FAILED EMERGENCY ENACTMENT/FINAL PASSAGE..... Emergency bill failed to get 2/3 vote
FAILED ENACTMENT/FINAL PASSAGE..... Bill failed to get majority vote
FAILED MANDATE ENACTMENT..... Bill imposing local mandate failed to get 2/3 vote
NOT PROPERLY BEFORE THE BODY..... Ruled out of order by the presiding officers; bill died
INDEF PP..... Bill Indefinitely Postponed
ONTP..... Ought Not To Pass report accepted
OTP ND..... Committee report Ought To Pass In New Draft
OTP ND/NT..... Committee report Ought To Pass In New Draft/New Title
P&S XXX..... Chapter # of enacted Private & Special Law
PUBLIC XXX..... Chapter # of enacted Public Law
RESOLVE XXX..... Chapter # of finally passed Resolve
UNSIGNED..... Bill held by Governor
VETO SUSTAINED..... Legislature failed to override Governor's Veto

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is June 29, 2005; and for non-emergency legislation enacted in the First Special Session is September 17, 2005.

Joint Standing Committee on Utilities and Energy

Committee Amendment "B" (H-486) was developed after the bill was recommitted to the committee. It proposed to replace the bill. This amendment proposed to narrow the focus of the bill to Fox Islands Electric Cooperative, Inc. The amendment proposed to allow the Fox Islands Electric Cooperative, Inc. to sell wholesale generation service in order to reduce its cost of providing retail service.

Enacted law summary

Private and Special Law 2005, chapter 21 provides that the Fox Islands Electric Cooperative, Inc. may sell wholesale generation service in order to reduce its cost of providing retail service. Under current law, a consumer-owned transmission and distribution utility may not sell wholesale generation service except incidental sales necessary to reduce the cost of providing retail service. Private and Special Law 2005, chapter 21 provides somewhat broader authority to the Fox Islands Electric Cooperative, Inc.

LD 1586

An Act To Encourage the Use of Solar Energy

PUBLIC 459

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRAUTIGAM	OTP-AM MAJ	H-615
COURTNEY	OTP-AM MIN	S-403 ROTUNDO

LD 1586 proposed to provide for rebates, sales tax exemptions and income tax credits for installations of solar thermal systems and photovoltaic systems in residential or commercial properties. Specifically the bill proposed to:

1. Establish a rebate program for qualified installations of solar energy systems. The rebate would be available to owners or tenants of residential or commercial buildings; in the case of newly built residences, to the original owner or occupant. The amount of \$500,000/year from the Public Utilities Commission's Conservation Program Fund would be made available for the following rebates for the following installations. A rebate of \$3/watt for first 2 kilowatts of capacity and \$1/watt for next kilowatt of capacity for qualified photovoltaic systems (peak capacity no more than 100kW, installed in residential or commercial building by master electrician certified by the North American Board of Certified Energy Practitioners or "NAPCEP", and connected to the grid). A rebate equal to the lesser of 25% of system cost (including installation) or \$500 for a qualified solar thermal system designed to heat water (installed by licensed plumber certified by PUC in residential or commercial building and connected to the grid) or a qualified solar thermal system designed to heat air (installed in a residential or commercial building and connected to the grid);
2. Establish a sales tax exemption for sales of solar energy equipment related to the installation of the following in an individual's principal residence or a commercial building: photovoltaic systems with peak capacity no more than 100kW or solar thermal systems designed to heat water or air (no installation or connection-to-the-grid requirements); and
3. Establish an income tax credit equal to lesser of 25% of the cost of the system, including installation, or \$500 (may not reduce tax due to less than zero; credit exceeding tax due can be carried forward for use in next 3 years) for solar thermal systems designed to heat water or air (no installation or connection-to-the-grid requirements).

Joint Standing Committee on Utilities and Energy

Committee Amendment "A" (H-615), which was the majority report of the Joint Standing Committee on Utilities and Energy, proposed to replace the bill. This amendment proposed to preserve the basic provisions of the bill but to make the following changes.

1. Rather than using funds from the conservation program fund for the solar energy rebate program, the amendment proposed to establish a new fund. Funds for the new fund would be collected in the same manner as for the conservation program fund. The assessment for the new fund would be capped at 0.005 cents per kilowatt hour. The cap on the assessment for the conservation program fund would be reduced by the same amount so that there would be no net increase in total assessment as a result of the combined assessments.
2. It proposed to provide that qualified solar installations made after July 1, 2005 would qualify for the rebate program.
3. It proposed to modify the installation requirements for the rebate program.
 - A. Between July 1, 2005 and January 1, 2007, a solar photovoltaic system would need to be installed by a master electrician who has completed a training course to prepare for certification by NABCEP or by a master electrician working in conjunction either with a person who has been certified by NABCEP or a person who has completed a training course to prepare for such certification. On or after January 1, 2007, the system would need to be installed by a master electrician who has been certified by NABCEP or by a master electrician working in conjunction with a person who has been so certified.
 - B. A solar thermal system designed to heat water would need to be installed by a licensed plumber who has been certified by the commission to install such systems or by a licensed plumber working in conjunction with a person who has been certified by the commission to install such systems.
4. It proposed to provide for the Public Utilities Commission to establish standards and procedures for demonstrating qualification for the rebate program and to provide that the commission allow a person to demonstrate the date a system was installed by the date of a net metering arrangement with a transmission and distribution utility or a dated bill of sale for the system.
5. It proposed to modify the sales tax exemption for installations of qualified solar energy equipment to provide for a tax reimbursement rather than an exemption, to allow systems installed on or after July 1, 2005 to qualify, and to provide administrative procedures to implement the reimbursement program.
6. It proposed to modify the income tax credit to provide administrative procedures to implement the credit and to clarify that the credit is allowed in tax years beginning on or after January 1, 2005.

Committee Amendment "B" (H-616), which was the minority report of the Joint Standing Committee on Utilities and Energy, proposed to replace the bill. The amendment proposed to preserve the basic provisions of the bill and to make the same changes to the bill as proposed in the majority report, except that it proposed to provide that all funding for the solar energy rebate program be provided from the General Fund. The amendment proposed to provide \$500,000 each year for this purpose.

Senate Amendment "A" to Committee Amendment "A" (S-403) proposed to amend Committee Amendment "A" by removing the income tax credit and sales tax reimbursement provisions. It proposed to increase the maximum rebate for the purchase and installation of a solar thermal system (air or water) from \$500 to \$1,250. It proposed to provide that 25% of the solar energy rebate program fund would be allotted to rebates

Joint Standing Committee on Utilities and Energy

for solar photovoltaic systems; 75% of the fund would be allotted to the installation of solar thermal systems (air or water).

This amendment proposed to limit the participation in the solar energy rebate program to residents of the State and to repeal the program on December 31, 2008.

Enacted law summary

Public Law 2005, chapter 459 provides rebates for the purchase and installation of solar water heating and solar air heating systems and solar electric, or "photovoltaic," systems for residential or commercial buildings. Qualified solar installations made by qualified installers after July 1, 2005 qualify for the rebate program. Funding for the program is provided through an assessment on transmission and distribution utilities; the assessment is capped at 0.005 cents per kilowatt hour and is deposited in the solar energy rebate program fund. The cap on the assessment for the conservation program fund is reduced by the same amount so that there is no net increase in total assessment as a result of the combined assessments. Rebates for solar photovoltaic systems are limited to 25% of the solar energy rebate program fund and rebates for solar thermal systems are limited to 75% of the fund per fiscal year.

Installations of qualified photovoltaic systems (peak capacity no more than 100kW, installed in residential or commercial building by certain qualified persons, and connected to the grid) are eligible for a rebate of \$3/watt for first 2 kilowatts of capacity and \$1/watt for next kilowatt of capacity. Installations of qualified solar thermal systems designed to heat water (installed by certain qualified persons in a residential or commercial building and connected to the grid) or qualified solar thermal systems designed to heat air (installed in a residential or commercial building and connected to the grid) are eligible for a rebate equal to the lesser of 25% of system cost (including installation) or \$1,250. Participation in the solar energy rebate program is limited to residents of the State.

Between July 1, 2005 and January 1, 2007, a solar photovoltaic system must be installed by a master electrician who has completed a training course to prepare for certification by the North American Board of Certified Energy Practitioners (NABCEP) or by a master electrician working in conjunction either with a person who has been certified by NABCEP or a person who has completed a training course to prepare for certification by a NABCEP; on or after January 1, 2007, the system must be installed by a master electrician who has been certified by a NABCEP or by a master electrician working in conjunction with a person who has been certified by NABCEP. A solar thermal system designed to heat water may be installed by a licensed plumber who has been certified by the commission to install such systems or by a licensed plumber working in conjunction with a person who has been certified by the commission to install such systems.

The Public Utilities Commission administers the rebate program.

The program is repealed on December 31, 2008.