

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
125<sup>TH</sup> LEGISLATURE  
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON ENERGY, UTILITIES  
AND TECHNOLOGY**

June 2012

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# STATE OF MAINE

125<sup>TH</sup> LEGISLATURE  
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## LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all LDs and adopted amendments and all laws enacted or finally passed during the Second Regular Session of the 125<sup>th</sup> Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

<i>CARRIED OVER</i> .....	<i>carried over to a subsequent session of the Legislature</i>
<i>CON RES XXX</i> .....	<i>chapter # of constitutional resolution passed by both houses</i>
<i>CONF CMTE UNABLE TO AGREE</i> .....	<i>Committee of Conference unable to agree; legislation died</i>
<i>DIED BETWEEN HOUSES</i> .....	<i>House &amp; Senate disagreed; legislation died</i>
<i>DIED IN CONCURRENCE</i> .....	<i>defeated in each house, but on different motions; legislation died</i>
<i>DIED ON ADJOURNMENT</i> .....	<i>action incomplete when session ended; legislation died</i>
<i>EMERGENCY</i> .....	<i>enacted law takes effect sooner than 90 days after session adjournment</i>
<i>FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE</i> .....	<i>emergency failed to receive required 2/3 vote</i>
<i>FAILED, ENACTMENT or FINAL PASSAGE</i> .....	<i>failed to receive final majority vote</i>
<i>FAILED, MANDATE ENACTMENT</i> .....	<i>legislation proposing local mandate failed required 2/3 vote</i>
<i>HELD BY GOVERNOR</i> .....	<i>Governor has not signed; final disposition to be determined at subsequent session</i>
<i>LEAVE TO WITHDRAW</i> .....	<i>sponsor's request to withdraw legislation granted</i>
<i>NOT PROPERLY BEFORE THE BODY</i> .....	<i>ruled out of order by the presiding officer; legislation died</i>
<i>INDEF PP</i> .....	<i>indefinitely postponed; legislation died</i>
<i>ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X</i> ...	<i>ought-not-to-pass report accepted; legislation died</i>
<i>P&amp;S XXX</i> .....	<i>chapter # of enacted private &amp; special law</i>
<i>PUBLIC XXX</i> .....	<i>chapter # of enacted public Law</i>
<i>RESOLVE XXX</i> .....	<i>chapter # of finally passed resolve</i>
<i>VETO SUSTAINED</i> .....	<i>Legislature failed to override Governor's veto</i>

The effective date for non-emergency legislation enacted in the Second Regular Session of the 125<sup>th</sup> Legislature is Thursday, August 30, 2012. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

## *Joint Standing Committee on Energy, Utilities and Technology*

may not involve an amount of qualified renewable resources that exceed in aggregate 50% of the applicable statewide portfolio requirements.

This amendment was adopted in the Senate but not in the House.

### **Senate Amendment "B" To Committee Amendment "B" (S-555)**

This amendment modifies Committee Amendment "B" as follows.

1. It provides that the new contracts with renewable resources for the purposes of reducing the price of electricity to ratepayers must comply with the current requirement that the price paid by the investor-owned transmission and distribution utility for any renewable energy credits must be lower than the price received for those renewable energy credits at the time they are sold by the transmission and distribution utility.
2. It removes the provision that allows a generator whose total power production capacity exceeds 100 megawatts to qualify as a renewable capacity resource under the so-called Class 1 portfolio requirement under the Maine Revised Statutes, Title 35-A, section 3210, subsection 3.
3. It limits the amount of electricity that can be contracted from generators whose total power production capacity exceeds 100 megawatts, to the extent those generators, as a result of the contracts, are allowed to qualify for the so-called Class 2 portfolio requirement under the Maine Revised Statutes, Title 35-A, section 3210, subsection 3-A. In the aggregate such contracts may not in any year account for more than 50% of the statewide Class 2 portfolio requirement.

The result of this amendment together with Committee Amendment "B" is to authorize the Public Utilities Commission to direct investor-owned transmission and distribution utilities to enter into contracts with renewable resources for the purpose of reducing the price of electricity to ratepayers. The contracts for electricity must be priced less than the applicable market clearing price at the time of delivery, except that if the commission determines that a discount price closer to the applicable market clearing price is necessary to achieve the purposes of this legislation, the commission may by major substantive rule establish a lower discount. Contracts may not involve in aggregate an amount of electric energy that exceeds 10% of the total statewide electric energy load and may not have a term that exceeds 20 years. The commission may require contracts for the electric energy and associated renewable energy credits, with appropriate valuation of each component. Resources under these contracts that otherwise qualify as renewable resources under the portfolio requirements but that exceed the current 100-megawatt limitations will become qualified to meet those portfolio requirements, commonly known as Class 2 renewable energy credits, in accordance with rules adopted by the commission. Such resources may not qualify for the portfolio requirements applicable to new renewable capacity resources, commonly known as Class 1 renewable energy credits. The contracts may not involve an amount of qualified renewable resources that exceeds in aggregate 50% of the applicable statewide portfolio requirements.

This amendment was adopted in the Senate but not in the House.

**LD 1864**

### **An Act To Improve Efficiency Maine Trust Programs To Reduce Heating Costs and Provide Energy Efficient Heating Options for Maine's Consumers**

**PUBLIC 637**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
THIBODEAU	OTP-AM	S-508

## ***Joint Standing Committee on Energy, Utilities and Technology***

This bill amends the Efficiency Maine Trust (EMT) Act by:

1. Changing the wording describing the trust, eliminating the word "independent" and adding "body corporate and politic and public instrumentality of the State";
2. Providing that the chair of the EMT board is appointed by the Governor (of the 9 members, 7 are appointed by the Governor, 2 are ex officio);
3. Providing that the budget of the trust is submitted "as part of the budget for State Government";
4. Adding a new indemnification provision providing that each trustee is indemnified by the trust against expenses arising from actions involving the trust;
5. Directing EMT to provide programs in partnership with energy providers and transmission and distribution utilities (T&Ds) to provide consumers with information about energy options;
6. Creating a new efficient electric heating program to help customers supplement or replace less efficient heating systems with efficient electric space or water heating systems. The program would include loans for low-income customers. Funding would come from the electric conservation program funded by the T&D system benefit charge. T&Ds would be authorized to provide on-bill financing for lenders under the program. T&Ds would also be authorized to provide loans under which the T&D would determine financing charges and a rate of return based on its weighted cost of capital and the T&D would recover from EMT any differences between that cost of capital and the financing charges it set; EMT would be required to provide the funds from the conservation program SBC. Any T&D costs not otherwise recovered would be recoverable through its T&D's rates;
7. Modifying the Renewable Resources Fund, which is funded by voluntary contributions, to include funding for energy efficiency projects and to limit the amount of the funds that may annually be provided on a competitive bid basis to university system, the community college system and the maritime academy to the average annual funding provided between July 07 and July 10; and
8. Creating a new home heating equipment rebate program. Rebates would be for installation of efficient home heating equipment, including space and water equipment and including oil, gas, electric, biomass, solar and geothermal systems. Evidence of an energy audit would be a precondition for the rebate. The rebates would be 5% of the price, up to \$500. EMT is directed to identify up to \$1,000,000 from existing resources to fund the program. Additional funding may be derived from existing resources.

### **Committee Amendment "A" (S-508)**

This amendment does the following.

1. It preserves that portion of the bill that renames and expands the Renewable Resource Fund to include energy efficiency, but removes all the other changes made by the bill to that fund.
2. It preserves that portion of the bill that clarifies that the Efficiency Maine Trust is a body corporate and politic and a public instrumentality of the State, but removes the changes to the board made by the bill.
3. It replaces the portion of the bill relating to the Efficiency Maine Trust budget to clarify and maintain the current allocation process for those funds of the trust that are collected by the Public Utilities Commission for use by the trust and subject to allocation. It directs the joint standing committee of the Legislature having jurisdiction over energy matters to make recommendations to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs with respect to any proposed allocation of the trust's funds. It also adds a requirement that the trust provide semiannual budget reports to the joint standing committee of the Legislature having jurisdiction over energy matters that include all the trust's revenues and expenses for the current and next

## *Joint Standing Committee on Energy, Utilities and Technology*

fiscal years and that identify any significant departures from the trust's triennial plan. That committee is authorized to report out legislation relating to the trust upon review of the report.

4. It adds a provision directing the Efficiency Maine Trust to provide the joint standing committee of the Legislature having jurisdiction over energy matters an opportunity to provide input during the development of the trust's triennial plan.

5. It preserves that portion of the bill that adds a standard indemnification provision for trustees of the Efficiency Maine Trust.

6. It preserves that portion of the bill that directs the Efficiency Maine Trust to develop in partnership with energy providers and transmission and distribution utilities programs to provide customers with information on energy options to promote efficiency and alternative energy resources.

7. It replaces the portions of the bill that created an efficient electric heat program and home heating equipment rebate program with an authorization for transmission and distribution utilities to develop and implement pilot programs to measure the effectiveness of electric heat pumps and electric thermal storage units. The pilot programs are subject to review and approval by the Public Utilities Commission. Each transmission and distribution utility may provide up to 500 heating units within its service territory. It also directs the Efficiency Maine Trust to report to the joint standing committee of the Legislature having jurisdiction over energy matters by March 31, 2013 on its findings and recommendations relating to efficient heating options for residential and small business consumers.

8. It adds additional provisions that provide that natural gas conservation programs administered by the Efficiency Maine Trust must ensure that the programs benefit the consumers served by the gas utilities assessed under the natural gas conservation programs and directs the Governor's Office of Energy Independence and Security or its successor to assess the trust's effectiveness in delivering these programs.

### **Enacted Law Summary**

Public Law 2012, chapter 637 makes the following changes to the Efficiency Maine Trust.

1. It renames and expands the trust's Renewable Resource Fund to include energy efficiency.

2. It clarifies that the Efficiency Maine Trust is a body corporate and politic and a public instrumentality of the State.

3. It clarifies and maintains the current allocation process for those funds of the trust that are collected by the Public Utilities Commission for use by the trust and subject to allocation. It directs the joint standing committee of the Legislature having jurisdiction over energy matters to make recommendations to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs with respect to any proposed allocation of the trust's funds. It also adds a requirement that the trust provide semiannual budget reports to the joint standing committee of the Legislature having jurisdiction over energy matters that include all the trust's revenues and expenses for the current and next fiscal years and that identify any significant departures from the trust's triennial plan. That committee is authorized to report out legislation relating to the trust upon review of the report.

4. It adds a provision directing the Efficiency Maine Trust to provide the joint standing committee of the Legislature having jurisdiction over energy matters an opportunity to provide input during the development of the trust's triennial plan.

5. It adds a standard indemnification provision for trustees of the Efficiency Maine Trust.

6. It directs the Efficiency Maine Trust to develop in partnership with energy providers and transmission and distribution utilities programs to provide customers with information on energy options to promote efficiency and

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alternative energy resources.

7. It authorizes transmission and distribution utilities to develop and implement pilot programs to measure the effectiveness of electric heat pumps and electric thermal storage units. The pilot programs are subject to review and approval by the Public Utilities Commission. Each transmission and distribution utility may provide up to 500 heating units within its service territory. It also directs the Efficiency Maine Trust to report to the joint standing committee of the Legislature having jurisdiction over energy matters by March 31, 2013, on its findings and recommendations relating to efficient heating options for residential and small business consumers.

8. It requires the Efficiency Maine Trust to ensure its natural gas conservation programs benefit the consumers served by the gas utilities assessed under the natural gas conservation programs. It also directs the Governor's Office of Energy Independence and Security or its successor to assess the trust's effectiveness in delivering these programs.

**LD 1872      An Act To Change the Name of the Governor's Office of Energy Independence and Security      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COTTA	ONTP	

This bill changes the name of the Governor's Office of Energy Independence and Security to the Governor's Energy Office. The bill also fixes cross-references to reflect the name change.

The changes proposed by this bill were also proposed, along with changes regarding funding for the office, in LD 1903, An Act To Make Additional Supplemental Appropriations and Allocations and To Change Certain Provisions of the Law for the Fiscal Years Ending June 30, 2012, and June 30, 2013. The Energy, Utilities and Technology Committee voted ONTP on this bill and sent a letter to the Appropriations and Financial Affairs Committee recommending that in LD 1903 the name of the office be changed as proposed. The committee also recommended that the initial funding source for the office should be federal funds, including funds of the State Energy Program, which currently support the office; to the extent these are inadequate to fund the office, the office should be able to receive funds from Efficiency Maine Trust (EMT), but only to the extent activities of the office reasonably relate to the purposes of EMT; any additional funding needs of the office should be paid for from the General Fund or other available resources.

See LD 1903.

**LD 1875      An Act To Provide Transparency in Electricity Pricing for Maine Ratepayers      PUBLIC 590**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FITTS	OTP-AM	H-827

This bill requires the Public Utilities Commission and the Public Advocate to submit their budget recommendations as part of the unified current services budget legislation using a zero-based budgeting process; requires the Public Utilities Commission and the Public Advocate to post a "detailed explanation" of the total impact to ratepayers in dollars per year of all components of rates and price, including supply and transmission and distribution charges and all additional state and federal charges and assessments; and requires transmission and distribution utilities to