

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
126<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



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

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

July 2013

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# STATE OF MAINE

126<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* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 126<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.

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

The effective date for non-emergency legislation enacted in the First Regular Session of the 126<sup>th</sup> Legislature is October 9, 2013. 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*

Maine unless the Public Utilities Commission finds that the level of competitive electricity service and standard-offer service competition in the area administered by the independent system administrator for northern Maine is substantially similar to the level of competitive electricity service and standard-offer service competition in the area of the State that is within the New England independent system operator control area.

**LD 1559**

### **An Act To Reduce Energy Costs, Increase Energy Efficiency, Promote Electric System Reliability and Protect the Environment**

**PUBLIC 369  
EMERGENCY**

Sponsor(s)

Committee Report

Amendments Adopted

H-350 FREDETTE

This bill is reported by the Joint Standing Committee on Energy, Utilities and Technology pursuant to Joint Order 2013, H.P. 1125.

#### **PART A**

This Part changes the structure of the assessment imposed by the Public Utilities Commission for electric efficiency and conservation programs. The bill repeals the base rate of .145¢ per kilowatt hour effective July 1, 2015, and instead requires the commission to ensure that transmission and distribution utilities have sufficient revenue from rates to provide for the procurement for the benefit of ratepayers of all energy efficiency resources found by the commission to be cost-effective, reliable and achievable and allows the commission to impose any order on transmission and distribution utilities necessary to achieve the energy efficiency savings.

This Part decreases the percentage of revenue generated from the use of energy efficiency corridors owned by the Department of Transportation that is deposited into the Secondary Road Program Fund from 90% to 20% and increases the percentage of revenue deposited in the energy infrastructure benefits fund from 10% to 80%.

This Part directs that funds received by transmission and distribution utilities pursuant to Maine Yankee litigation be paid 55% to the Efficiency Maine Trust and 45% to ratepayers pursuant to an order of the commission allocating the funds for the maximum benefit to the Maine economy.

This Part allocates 35% of Regional Greenhouse Gas Initiative proceeds to residential fuel switching, as approved by the Efficiency Maine Trust, 50% to electric savings and thermal savings for commercial and industrial facilities and 15% to the Public Utilities Commission to be disbursed to transmission and distribution utilities for the maximum benefit to the State's economy.

This Part approves a pending long-term contract for energy efficiency resources as recommended by the Public Utilities Commission.

#### **PART B**

This Part gives the Public Utilities Commission the authority until December 31, 2018 to execute an energy cost reduction contract to procure natural gas pipeline capacity for the purpose of increasing the flow of natural gas into New England by 2,000,000,000 cubic feet per day.

This Part establishes the standards for the Public Utilities Commission to execute an energy cost reduction contract.

This Part requires consultation with the Office of the Public Advocate and the Governor's Energy Office when the Public Utilities Commission hires a consultant to assist in developing the terms of an energy cost reduction contract. An energy cost reduction contract may not be executed without approval from the Governor. The cost of the contract may not exceed \$75,000,000 annually. The Public Utilities Commission may direct a transmission and

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

distribution utility, a natural gas utility and a natural gas pipeline utility to assess ratepayers for the cost of an energy cost reduction contract and the cost of the administration of an energy cost reduction contract.

This Part authorizes the Public Utilities Commission to establish and collect a volumetric fee for use of natural gas by Maine consumers for natural gas not provided to the consumers by a natural gas utility or natural gas pipeline utility.

This Part establishes the Energy Cost Reduction Trust Fund, to be administered by the Public Utilities Commission, to receive the revenue from the resale of natural gas pipeline capacity and to direct those funds toward initiatives to reduce energy costs for ratepayers.

This Part exempts energy cost reduction contracts and the resale of natural gas pipeline capacity from the competitive bid requirements of the State Purchasing Agent.

This Part gives the Public Utilities Commission authority to investigate the exercise of market power by a gas utility, natural gas pipeline utility and any person who owns rights to natural gas pipeline capacity.

This Part authorizes the Public Utilities Commission to adopt rules to implement the provisions of the Part.

### **PART C**

This Part prohibits the Public Utilities Commission from issuing a certificate of public convenience and necessity for the construction of a transmission line unless a description of the need for the proposed transmission line is provided, an analysis of nontransmission alternatives is conducted by an independent 3rd party selected by the Public Utilities Commission and the projected cost of the proposed transmission line is compared to the projected cost of feasible nontransmission alternatives based on total projected costs. Preference must be given to lower-cost alternatives with fewer greenhouse gas emissions. The Public Utilities Commission must make specific findings as to whether nontransmission alternatives can address the identified transmission need at a lower total cost than the proposed transmission line. This Part requires that, until December 31, 2015, when the commission determines that nontransmission alternatives can address the need at a lower total cost but represent a larger increased cost to ratepayers of the State than the proposed transmission line, the commission must make reasonable efforts to achieve an agreement among the states within the New England independent system operator region to allocate the cost of the nontransmission alternatives among the ratepayers of the region using the allocation method used for transmission lines or another allocation method that results in lower increased cost to ratepayers of the State.

This Part also requires that lower-voltage projects that are capable of operating at less than 69 kilovolts and projected to cost in excess of \$20,000,000 must be reviewed and approved by the Public Utilities Commission before construction of the transmission project and establishes the standards for approval.

### **PART D**

This Part amends the Regional Greenhouse Gas Initiative Act of 2007 to provide consistency with regional targets, directs the Department of Environmental Protection and the Public Utilities Commission to work together to modify a current regional greenhouse gas initiative offset category to allow for fuel switching and further directs the Department of Environmental Protection and the Public Utilities Commission to promote this modification with other regional greenhouse gas initiative states.

### **PART E**

This Part requires electricity transmission and distribution utilities to provide new options for municipal street lighting programs and provides for how a municipality may be charged for the utility infrastructure services provided, how the location of street and area lighting will be provided, at what rates or by what methods the

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

electricity delivery charges may be assessed and how a municipality may transition from one option to another during the course of any year.

### PART F

This Part directs the Public Utilities Commission to consider economic efficiency when designing rates.

### PART G

This Part authorizes the Public Utilities Commission to extend the number of customers who may participate in the pilot program for efficient electric heat pumps and extend the length of the pilot period, allows more flexibility in the manner in which incentives are provided to customers and clarifies that nothing in the legislation related to the pilot program is intended to limit any currently existing authority of the Public Utilities Commission to establish special rates with respect to customers participating in the pilot program, as long as the costs of the pilot program are recovered only from customers participating in the program.

### PART H

This Part authorizes the Public Utilities Commission to issue a 2nd solicitation for deep-water offshore wind projects under the provisions of Public Law 2009, chapter 615 if the original recipient of the contract does not move forward in development for any reason.

### **House Amendment "A" (H-350)**

This amendment adds an emergency preamble and emergency clause to the bill.

### **Enacted Law Summary**

Public Law 2013, chapter 369 is the result of a bill that was reported by the Joint Standing Committee on Energy, Utilities and Technology pursuant to Joint Order 2013, H.P. 1125.

### PART A

This Part changes the structure of the assessment imposed by the Public Utilities Commission for electric efficiency and conservation programs. It repeals the base rate of .145¢ per kilowatt hour effective July 1, 2015, and instead requires the commission to ensure that transmission and distribution utilities have sufficient revenue from rates to provide for the procurement for the benefit of ratepayers of all energy efficiency resources found by the commission to be cost-effective, reliable and achievable and allows the commission to impose any order on transmission and distribution utilities necessary to achieve the energy efficiency savings.

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

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This Part establishes the standards for the Public Utilities Commission to execute an energy cost reduction contract.

This Part requires consultation with the Office of the Public Advocate and the Governor's Energy Office when the Public Utilities Commission hires a consultant to assist in developing the terms of an energy cost reduction contract. An energy cost reduction contract may not be executed without approval from the Governor. The cost of the contract may not exceed \$75,000,000 annually. The Public Utilities Commission may direct a transmission and distribution utility, a natural gas utility and a natural gas pipeline utility to assess ratepayers for the cost of an energy cost reduction contract and the cost of the administration of an energy cost reduction contract.

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This Part also requires that lower-voltage projects that are capable of operating at less than 69 kilovolts and projected to cost in excess of \$20,000,000 must be reviewed and approved by the Public Utilities Commission before construction of the transmission project and establishes the standards for approval.

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### PART H

This Part authorizes the Public Utilities Commission to issue a 2nd solicitation for deep-water offshore wind projects under the provisions of Public Law 2009, chapter 615 if the original recipient of the contract does not move forward in development for any reason. This section of law was further amended by LD 1472.

Public Law 2013, chapter 369 was enacted as an emergency measure effective June 26, 2013.

#### **LD 1562 An Act To Amend the Charter of the Alfred Water District**

**P & S 16  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TUTTLE	OTP-AM	S-289

This bill amends the charter of the Alfred Water District by requiring a vacancy in the board of trustees to be filled by appointment by the remaining trustees.

#### **Committee Amendment "A" (S-289)**

This amendment limits the appointment of a trustee to fill a vacancy on the board of trustees of the Alfred Water District to circumstances other than the normal expiration of a term. The appointed trustee may serve until the next municipal election.

#### **Enacted Law Summary**