

MAINE STATE LEGISLATURE

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STATE OF MAINE
127TH LEGISLATURE
SECOND REGULAR SESSION



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

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

May 2016

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STAFF:

DEIRDRE SCHNEIDER, LEGISLATIVE ANALYST
OFFICE OF POLICY AND LEGAL ANALYSIS
13 STATE HOUSE STATION
AUGUSTA, ME 04333
(207) 287-1670
<http://legislature.maine.gov/legis/opla/>

STATE OF MAINE

127TH LEGISLATURE

SECOND REGULAR SESSION



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 Second Regular Session of the 127th 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. An appendix provides a summary of relevant session statistics.

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 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 127th Legislature is July 29, 2016. 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

LD 1495 An Act To Allow the Kennebec Sanitary Treatment District To Establish and Maintain a Capital Reserve Fund P & S 12

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
NADEAU C CYRWAY S	OTP	

This bill allows the Kennebec Sanitary Treatment District to establish a capital reserve fund to help in paying for the maintaining, rehabilitating, upgrading and replacing of its aging infrastructure.

Enacted Law Summary

Private and Special Law 2015, chapter 12 allows the Kennebec Sanitary Treatment District to establish a capital reserve fund to help in paying for the maintaining, rehabilitating, upgrading and replacing of its aging infrastructure.

LD 1513 An Act To Clarify Laws Relating to Affiliate Ownership of Electric Generation ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DION M WOODSOME D	ONTP	

This bill clarifies language regarding ownership interest, financial interest or control of generation or generation-related assets by an investor-owned transmission and distribution utility.

This bill also allows the Public Utilities Commission to adopt rules to allow an investor-owned transmission and distribution utility to have an interest in a generation affiliate as long as that interest is not a financial interest sufficient to produce incentives for favoritism that would undermine the purposes of the Maine Revised Statutes, Title 35-A, chapter 32. This bill allows the commission to adopt major substantive rules that establish minimum standards necessary to protect ratepayers and standards of conduct that govern the relationship between an investor-owned transmission and distribution utility and a generation affiliate. This bill requires that standards of conduct adopted by commission rule ensure at a minimum that a generation affiliate is not given preference over nonaffiliated competitive generators; employees of an investor-owned transmission and distribution utility are physically separated from and not shared with those of a generation affiliate; the books of accounts and records of an investor-owned transmission and distribution utility and a generation affiliate are separate and are subject to review by the commission; and an investor-owned transmission and distribution utility does not subsidize the business of a generation affiliate at the expense of the ratepayer.

This bill defines "generation affiliate" as an affiliate of an investor-owned transmission and distribution utility that owns or controls generation or generation-related assets.

LD 1558 An Act To Enable Low-income and Other Customers Greater Access To Efficient Electric Heat Pumps through Unique Financing and Third-party Installation and Maintenance PUBLIC 446

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GROHMAN M WOODSOME D	OTP-AM ONTP	H-586

Joint Standing Committee on Energy, Utilities and Technology

This bill allows a transmission and distribution utility to implement a program to assist low-income and other customers who need assistance with obtaining and installing efficient heat pumps. The utility is allowed to advertise the availability of the program to its customers under this bill. This bill requires that any program needs to be approved by the Public Utilities Commission. Under the bill all activities of the transmission and distribution utility under an approved program are considered regulated activities of the utility and are therefore subject to review and regulation by the commission. The bill specifies that the commission may establish rates for participating customers to cover program costs, and that the recovery of all reasonable and prudent costs associated with the programs can only occur through customers participating in the program and cannot be passed through to non-participating customers.

The bill also includes the following program elements:

1. Program participants get to select a third-party installer;
2. The utility may own the heat pump;
3. The utility may charge the customer for the costs associated with providing the heat pump;
4. The participating customer must be provided with the option to later buy the heat pump based on reasonable terms established by the commission;
5. The utility may undertake reasonable debt collection activities that are approved by the commission and that are consistent with applicable law for delinquent payments, but may not disconnect a customer's electric service due to a customer's delinquency under the program;
6. A customer's overall energy costs must decrease as a result of program participation, which is to be measured by the overall energy costs to customers over the lifespan of the heat pumps, regardless of the source of the energy, and the costs associated with participation in the program; and
7. A utility may offer incentives to participating customers to acquire efficient heat pumps to be used to reduce the total installation cost of the heat pump.

The bill also requires the transmission and distribution utility to provide upon the request of the commission sufficient information to demonstrate that the program is meeting the requirements of the law.

Lastly, this bill repeals provisions in law that allowed transmission and distribution utilities to develop and implement pilot programs to provide efficient electric heating systems.

Committee Amendment "A" (H-586)

This amendment is the majority report of the committee. Like the bill, the amendment allows a transmission and distribution utility to implement a program to provide efficient electric heat pumps to its customers. Unlike the bill, the amendment clarifies that all activities of a transmission and distribution utility under an approved program are considered an unregulated business venture of the utility, rather than regulated activities of the utility subject to regulation by the Public Utilities Commission as a utility service.

The amendment also does the following.

1. It specifies that while all customers of a utility may participate in a program, the program is to target specific customers, such as low-income customers, senior citizens, customers who are unable to finance the purchase of a heat pump, customers who reside in rental dwellings and small businesses.
2. It makes clear that the sale, installation and maintenance of a heat pump are to occur through third party sellers

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and installers chosen by the customer.

3. It prohibits a transmission and distribution utility from disconnecting for delinquent payments electric service to a heat pump serving as the only heating source for the customer during the winter.
4. It specifies that, at any time, a participating customer may elect to have that customer's heat pump removed at no cost or penalty.
5. It requires that a transmission and distribution utility must provide participating customers a plain language notice that they have the option to buy the heat pump.
6. It requires a plain language notice be provided before a customer elects to participate in the program that compares the costs of the program with the costs of directly purchasing a heat pump, including any applicable rebates or incentives available for purchasing such equipment.
7. It clarifies that an efficient electric heat pump is one that is consistent with the Efficiency Maine Trust eligibility criteria or criteria established by the commission by rule if the Efficiency Maine Trust does not establish such criteria and that a qualified heat pump installer is any installer that is listed as a registered vendor by the Efficiency Maine Trust for purposes of heat pump installations or as determined by the commission by rule if the Efficiency Maine Trust does not maintain a registry of vendors.
8. It clarifies that the determination that the overall energy costs to customers under a program decrease as a result of participation in the program is based on the best available information at the outset of the program.
9. It requires the utility to provide a triennial report to the commission outlining the degree to which the program is meeting the needs of customers, including the needs of customers targeted under this legislation.

The amendment retains the provision of the bill that repeals the provision of Public Law 2011, chapter 637 that allows transmission and distribution utilities to develop and implement similar pilot programs.

Enacted Law Summary

Public Law 2015, chapter 446 allows a transmission and distribution utility to develop, advertise, and implement, with the approval of the Public Utilities Commission, a program within its service territory to enable customers to access efficient electric heat pumps. This law allows a program to serve all customers, but the program must target low-income customers, senior citizens, customers unable to finance the purchase of a heat pump, customers who reside in rental dwellings and small businesses.

This law specifies that all activities of a transmission and distribution utility under an approved program must be considered an unregulated business venture of the utility in accordance with Title 35-A, section 713. This law allows the prudent costs associated with the program to be recoverable only from customers participating in a program through just and reasonable rates and charges approved by the commission.

This law specifies that an efficient electric heat pump is one that is consistent with the Efficiency Maine Trust eligibility criteria or criteria established by the commission by rule if the Efficiency Maine Trust does not establish such criteria.

This bill requires that based on the best available information at the outset of the program, a customer's overall energy costs is expected to decrease as a result of program participation, which is to be measured by the overall energy costs to customers over the lifespan of the heat pumps, regardless of the source of the energy, and the costs associated with participation in the program.

This law allows a transmission and distribution utility to offer incentives to customers participating in the program

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to acquire efficient electric heat pumps from third party sellers or installer to be used to reduce the total installation cost of such heats. It requires that the sale, installation and maintenance of a heat pump are to occur through third party sellers and installers chosen by the customer. This law specifies that a qualified heat pump installer is any installer that is listed as a registered vendor by the Efficiency Maine Trust for purposes of heat pump installations or as determined by the commission by rule if the Efficiency Maine Trust does not maintain a registry of vendors.

This law prohibits a transmission and distribution utility from disconnecting for delinquent payments electric service to a heat pump serving as the only heating source for the customer during the winter. This law allows a participating customer to elect to have that customer's heat pump removed at any time at no cost or penalty. It requires that a transmission and distribution utility must provide participating customers a plain language notice that they have the option to buy the heat pump at reasonable terms approved by the commission. This law requires that a plain language notice be provided before a customer elects to participate in the program that compares the costs of the program with the costs of directly purchasing a heat pump, including any applicable rebates or incentives available for purchasing such equipment.

This law requires that upon request from the commission, a transmission and distribution utility that implements a program under this law must provide sufficient information to demonstrate that the program is meeting requirements. It also requires the utility to provide a triennial report to the commission outlining the degree to which the program is meeting the needs of customers, including the needs of customers targeted under this legislation.

This law repeals the provision of Public Law 2011, chapter 637 that allows transmission and distribution utilities to develop and implement similar pilot programs.

LD 1585 An Act To Improve Services for Persons Who Are Deaf or Hard of Hearing by Updating the Laws Governing Qualifications for Certain Members of the Telecommunications Relay Services Advisory Council PUBLIC 398

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BEAVERS R MASON G	OTP	

This bill changes the qualifications of four members of the Telecommunications Relay Services Advisory Council to reflect changes in the State regarding advocates for persons with disabilities, telecommunications relay services and the Internet and wireless and cable telecommunications.

Enacted Law Summary

Public Law 2015, chapter 398 changes the qualifications of four members of the Telecommunications Relay Services Advisory Council to reflect changes in the State regarding advocates for persons with disabilities, telecommunications relay services and the Internet and wireless and cable telecommunications.

LD 1649 An Act To Modernize Maine's Solar Power Policy and Encourage Economic Development Veto Sustained

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM	H-666
	OTP-AM	S-522 WOODSOME D
	OTP-AM	

This bill was reported by the committee pursuant to Resolve 2015, chapter 37, section 2. The resolve directed the Public Utilities Commission to convene a stakeholder group to develop an alternative to net energy billing. This bill