

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
127<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**

May 2016

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# STATE OF MAINE

127<sup>TH</sup> 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 127<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. 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 127<sup>th</sup> 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.

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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

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reflects the consensus developed in that process and subsequent negotiations between stakeholders and establishes a comprehensive framework to support distributed generation in Maine.

The bill directs the Public Utilities Commission to enter into long-term contracts with a duration of 20 years for the procurement of 248 megawatts of solar energy over a five year period beginning in 2017. The bill specifies that 24% or 60 megawatts are to be allotted to grid-scale solar distributed generation resources; 19% or 45 megawatts to large-scale community solar distributed generation resources; 10% or 25 megawatts to commercial and industrial distributed generation resources; and 47% or 118 megawatts to residential and small business distributed generation resources.

The bill creates a standard buyer, which the bill specifies is the investor-owned transmission and distribution utility in its service territory. The bill allows the commission to designate another entity as the standard buyer if it determines it is in the best interest of ratepayers to do so. The purpose of the standard buyer is to purchase the output of each category of distributed generation resource, aggregate the portfolio of distributed generation resources procured and sell it into the relevant New England markets.

The bill directs the commission to conduct competitive solicitations for 20% of the five year target procurement for long-term contracts for the output of grid-scale, large-scale community, and commercial and industrial solar distributed generation. The frequency of solicitation varies with the particular category of distributed generation resource. The bill directs the commission and standard buyer to develop a contract prior to a solicitation that will ensure that projects proceed to commercial operation on a reasonable timeline and commits all parties to commercially reasonable behavior. The bill gives the commission authority to establish requirements for bidder eligibility and standards to ensure competition in the bidding process. The bill also specifies that if the solicitation is deemed competitive the commission must select one or more winning bids and direct the standard buyer to negotiate and enter into a contract with the winning bidder or bidders. The bill requires the commission to select bids that maximize the benefits or minimize the costs to all ratepayers.

The bill provides that residential and small business customers receive 20-year contracts at a set price for new distributed generation resources that are 250 kilowatts or less. The bill specifies that those customers would have the option of selling their entire output or using their generation to offset their electric consumption with the ability to sell any excess electricity at prices established under the contracts. The bill provides that the commission would set the contract price and the price new customers receive would decrease over time as the installations increase. Contract prices set by the commission must be high enough to meet the specified targets but be below a cap on the overall cost of this portion of the program. The bill also allows the commission to establish a rate adjustment mechanism to increase rates for new customers to increase the number of installations and to meet targets.

The bill specifies that existing net metering customers may continue to net meter under commission rules for 12 years after the effective date of major substantive rules adopted as required by the bill to implement the residential and small business program. The bill allows existing net metering customers to enter into a long-term contract under the new program but does not allow new customers to participate in net metering.

The bill requires the commission to initiate a proceeding 18 months after the effective date of major substantive rules adopted to implement the residential and small business solar program or when 21 megawatts of such solar capacity has been installed, whichever is sooner, to determine if installation targets are likely to be met by 2022, and the total cost to all customers is likely to be less using long-term contracts rather than net metering. The bill specifies that if the commission does not find that installation targets are going to be met and long-term contracts are not going to be more cost-effective than net metering, the commission may modify the rules, with legislative approval, to meet the goals and reduce costs. If the rules cannot be modified and the commission does not propose an alternative to the Second Regular Session of the 129th Legislature, or if the Legislature fails to act, then net metering will be available to new customers.

The bill also allows for a solar power offer, in addition to the existing green power offer under the Maine Revised

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Statutes, Title 35-A, section 3212-A, that is available to all residential and small commercial electricity customers. Like the green power offer, the solar power offer sunsets on April 1, 2021.

### **Committee Amendment "A" (H-666)**

This amendment is the majority report of the committee. This amendment does the following.

1. It corrects cross-references in the bill to other sections within the bill and corrects terminology for consistency.
2. It clarifies language regarding rates and the rate adjustment mechanism as they relate to the residential and small business segment.
3. It clarifies that existing net energy customers may enter into contracts even if they exceed the facility size limitations in the bill for a residential and small business distributed generation resource.
4. It changes the time frame for program review of the residential and small business segment to one year or when 14 megawatts of capacity have been installed, whichever is earlier, instead of 18 months or 21 megawatts as in the bill.
5. It changes the reporting date on the program review from the Second Regular Session of the 129th Legislature to the First Regular Session of the 129th Legislature.
6. It requires the Department of Agriculture, Conservation and Forestry to submit a report to the joint standing committee of the Legislature having jurisdiction over energy and utilities matters and the joint standing committee of the Legislature having jurisdiction over agricultural matters that evaluates what actions can be taken to ensure that any new solar distributed generation resource procured pursuant to the Maine Revised Statutes, Title 35-A, sections 3477 to 3479 on "prime farmland" or "farmland of statewide importance" is designed, built and decommissioned in a manner that retains topsoil and enables the farmland to be returned to agricultural use. Each committee is authorized to report out a bill to the First Regular Session of the 128th Legislature based on the report.
7. It prohibits the Public Utilities Commission from contracting for new solar distributed generation resources to be sited on farmland designated as "prime farmland" or "farmland of statewide importance" until 90 days after the First Regular Session of the 128th Legislature.

### **Committee Amendment "B" (H-667)**

This amendment is a minority report of the committee and it strikes and replaces the bill, including the title. This amendment replaces the provisions of law governing net energy billing with the following.

1. It allows investor-owned transmission and distribution utility customers to participate in net metering.
2. It requires that the Public Utilities Commission allow by rule net energy billing for municipal and community distributed energy resource projects.
3. If after finding that an investor-owned transmission and distribution utility's cumulative capacity of generating facilities subject to commission rules reaches 1% or more of the utility's peak demand, and the Public Utilities Commission reviews its net energy billing rules to determine whether net energy billing should continue or be modified, the amendment requires the commission to retain an independent consultant experienced in net energy billing systems to assist in its review.
4. It requires that the commission amend its net energy billing rules by February 1, 2017 to be consistent with the Maine Revised Statutes, Title 35-A, section 3209-A, subsection 2.

This amendment was not adopted.

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### **Committee Amendment "C" (H-668)**

This amendment is a minority report of the committee. This amendment does the following.

1. It corrects cross-references in the bill to other sections within the bill and corrects terminology for consistency.
2. It removes the grid-scale segment and adds a municipal solar distributed generation resource segment and an agricultural business solar distributed generation resource segment.
3. It changes the procurement targets for all segments and sets decreasing rate caps.
4. It reduces the term for a contract to 15 years, except in the residential and small business segment, which is no longer than 15 years.
5. It removes provisions related to rates that are no longer applicable due to the rate caps.
6. It clarifies that existing net energy customers may enter into contracts even if they exceed the facility size limitations in the bill for a residential and small business distributed generation resource.
7. It changes the time frame for program review of the residential and small business segment to one year or when 14 megawatts of capacity have been installed, whichever is earlier, instead of 18 months or 21 megawatts as in the bill.
8. It changes the reporting date on the program review from the Second Regular Session of the 129th Legislature to the First Regular Session of the 129th Legislature.
9. It requires the Department of Agriculture, Conservation and Forestry to submit a report to the joint standing committee of the Legislature having jurisdiction over energy and utilities matters and the joint standing committee of the Legislature having jurisdiction over agricultural matters that evaluates what actions can be taken to ensure that any new solar distributed generation resource procured pursuant to the Maine Revised Statutes, Title 35-A, sections 3477 to 3479 on "prime farmland" or "farmland of statewide importance" is designed, built and decommissioned in a manner that retains topsoil and enables the farmland to be returned to agricultural use. Each committee is authorized to report out a bill to the First Regular Session of the 128th Legislature based on the report.
10. It prohibits the Public Utilities Commission from contracting for new solar distributed generation resources to be sited on farmland designated as "prime farmland" or "farmland of statewide importance" until 90 days after the First Regular Session of the 128th Legislature.
11. It adds two reporting requirements, one in 2019 and one in 2021 to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters on the status of solar distributed generation resource procurement. It requires the commission to report on the status of procurement for each distributed generation resource segment. If procurement targets are not likely to be met, the commission is directed to include recommendations to achieve those targets. The committee may report out a bill to the First Regular Session of the 129th Legislature and may report out a bill to the First Regular Session of the 130th Legislature.

This amendment was not adopted.

### **Senate Amendment "A" To Committee Amendment "A" (S-522)**

This amendment:

1. Shortens the time allowed for attaining the procurement targets from five years to four years, through 2021, with a corresponding reduction in size of each market segment, with the exception of the commercial, industrial and

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municipal market segment;

2. Specifies that the commercial and industrial market segment also includes municipalities and increases that market segment to 40 megawatts from 25 megawatts;
3. Reserves eight megawatts for agricultural businesses and adds a definition of "agricultural business;"
4. Caps the prices to be paid for each market segment by requiring the Public Utilities Commission to reject bids that exceed specified percentages of the residential price as follows:
  - A. Grid scale, 75% of the residential price;
  - B. Community, 90% of the residential price; and
  - C. Commercial, industrial and municipal, 90% of the residential price.
5. Reduces from \$10,500,000 to \$6,600,000 the total price for residential contracts to reflect the smaller procurement target size;
6. Requires that the commission impose a cap on the rate adjustment mechanism to ensure that costs do not exceed the cost impact to ratepayers of net metering and to specify this cap by rule;
7. Specifies that the commission may require 15-year contracts if it concludes that shorter contracts would benefit ratepayers; and
8. Establishes an additional reporting requirement in 2020 regarding the impact of the cost to all ratepayers of the procurement targets.

**LD 1651      An Act To Exempt Certain Natural Gas Consumers from an Assessment  
and To Extend a Moratorium on Assessments for Other Large-volume  
Consumers of Natural Gas**

**PUBLIC 425**

Sponsor(s)

Committee Report

Amendments Adopted

This bill was reported ought to pass by the committee pursuant to Resolve 2015, chapter 39, section 2.

This bill prohibits the Public Utilities Commission from allowing a gas utility to collect an assessment under the Maine Revised Statutes, Title 35-A, section 10111 through its rates from a wholesale electricity-generating facility that has a nameplate capacity of three megawatts or more and prohibits such a facility from participating in any natural gas conservation program. The bill also establishes a moratorium on assessments for large-volume consumers by gas utilities until 90 days after the adjournment of the First Regular Session of the 128th Legislature. This bill specifies that the Public Utilities Commission may not allow a natural gas utility to collect an assessment under Title 35-A, section 10111 through its rates from large-volume consumers and may not make a final decision regarding the appropriateness of or size of such collections from large-volume consumers. The bill specifies that the Public Utilities Commission may not order or authorize a natural gas utility to exempt from collection of an assessment through its rates any consumers other than large-volume consumers. The bill specifies that, during this same time period, large-volume consumers are not eligible to participate in any Efficiency Maine Trust natural gas conservation programs. This bill also ensures that any assessment by the commission under Title 35-A, section 10111 must be in an amount necessary to capture all cost-effective energy efficiency that is achievable and reliable only for consumers who are not exempt under Title 35-A, section 10111, subsection 2-A, or who are not