

MAINE STATE LEGISLATURE

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STATE OF MAINE
128TH LEGISLATURE
FIRST REGULAR SESSION



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

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

August 2017

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STATE OF MAINE

128TH 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 128th 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 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 128th Legislature is Wednesday, November 1, 2017. 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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This bill changes the requirement regarding the development, implementation, operation and management of nontransmission alternatives for proposed transmission lines and proposed transmission projects. This bill requires that a smart grid coordinator appointed by the Public Utilities Commission develop a nontransmission alternative to a proposed transmission line or proposed transmission project.

The bill provides that a smart grid coordinator must be an entity incorporated in the State; may not be a transmission and distribution utility located in the State or an affiliate of a transmission and distribution utility located in the State; and must have a demonstrated record of developing, operating and managing nontransmission alternatives.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

LD 1504 An Act To Modernize Rates for Small-scale Distributed Generation

Veto Sustained

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAVIELLO T GROHMAN M	OTP-AM OTP-AM	S-276 H-554 HARVELL L

This bill amends the law regarding net energy billing and makes the adoption of net energy billing rules major substantive instead of routine technical, except that rules adopted to be consistent with the changes in the Maine Revised Statutes, Title 35-A, section 3209-A, subsection 1, substantively equivalent to the rules in effect prior to March 29, 2017 and that must be completed by December 1, 2017, are routine technical rules.

The bill directs the Public Utilities Commission to enter into long-term contracts with a duration of 20 years for the procurement of 50 megawatts of large-scale commercial solar distributed generation resources by 2022. The bill requires that 8 megawatts of the 50-megawatt procurement target be from large commercial solar distributed generation resources for projects associated with an agricultural or forest products business.

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 or use the output of these resources in a manner that maximizes the value of this portfolio of resources to all ratepayers.

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 large-scale commercial solar distributed generation resources twice per year. 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 fully 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. If the commission concludes the solicitation is not competitive, no bidders may be selected and the capacity available in that solicitation must be deferred to a subsequent solicitation. The bill requires the commission to select bids that maximize the benefits or minimize the costs to all ratepayers.

The bill directs the commission to give preference to projects associated with affordable multifamily housing. The bill requires the commission to review bids for projects associated with affordable multifamily housing at 1¢ less per kilowatt-hour than the actual bid, but if such a project is awarded a contract, it is paid at the actual bid rate and

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not the rate used for review. This same process is allowed in the bill after December 31, 2019, for projects associated with an agricultural or forest products business if the commission determines that solicitations are not likely to result in the procurement of 8 megawatts of solar projects associated with an agricultural or forest products business by 2022.

The bill also includes a small business distributed generation credit rate program as an alternative to net energy billing for nonresidential customers.

The bill includes language on how bill credits are to be determined for a customer.

The bill requires the Public Utilities Commission to adopt routine technical rules regarding the procurement of large-scale commercial solar distributed generation resources by January 1, 2018.

The bill also requires the commission to submit multiple reports on the effectiveness of the bill credit program at increasing installations of distributed generation resources and its expected short-term and long-term effect on ratepayers, as well as multiple reports regarding net energy billing and alternatives to net energy billing.

Committee Amendment "A" (S-276)

This amendment is the majority report of the committee, and it replaces the bill. It does the following regarding net energy billing:

1. It requires a net energy billing customer to receive 100% of the net energy of an eligible facility for the customer's transmission and distribution bill until December 31, 2021;
2. It prohibits a transmission and distribution utility from requiring a customer to meter the gross output of an eligible facility in order to participate in net energy billing;
3. It limits to 200 the number of eligible customers that may participate in a single shared interest in an eligible facility or the number of meters associated with a single shared interest, except in the service territory of a transmission and distribution utility located in an area administered by the independent system administrator for northern Maine; and
4. It requires the Public Utilities Commission to amend its current net energy billing rules before January 1, 2018, to be consistent with the Maine Revised Statutes, Title 35-A, section 3209-A.

This amendment also requires the Public Utilities Commission to submit a report by January 1, 2021, that includes recommendations on how to transition from net energy billing to time-of-use rates, market-based rates or other rate design options. In its report, the commission must include information regarding an analysis of costs and benefits of net energy billing, which it is required to conduct in an adjudicatory proceeding, as well as how those costs and benefits compare to any recommendations the commission makes in this report.

Committee Amendment "B" (S-277)

This amendment is the minority report of the committee, and it replaces the bill. It does the following regarding net energy billing:

1. It allows an eligible customer to elect net energy billing until December 31, 2017, after which time no new net energy billing arrangements may be allowed;
2. It allows net energy billing arrangements entered into prior to December 31, 2017, to remain in effect until December 31, 2032;
3. It prohibits a transmission and distribution utility from requiring a customer to meter the gross output of an

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eligible facility in order to participate in net energy billing; and

4. It limits to 50 the number of eligible customers that may participate in a single shared interest in an eligible facility or the number of meters associated with a single shared interest, except in the service territory of a transmission and distribution utility located in an area administered by the independent system administrator for northern Maine.

The amendment establishes a market-based crediting system for energy generated by eligible facilities. It requires the Public Utilities Commission to adopt rules to allow an eligible customer to receive a monetary credit for energy generated by an eligible facility in excess of the customer's usage and exported to the grid at the real-time wholesale market price of that energy. As in the provisions relating to net energy billing, a transmission and distribution utility is prohibited from requiring a customer to meter the gross output of an eligible facility in order to participate in the crediting system, and the number of eligible customers that may participate in a single shared interest in an eligible facility, or the number of meters associated with a single shared interest, is limited to 50. The amendment exempts a transmission and distribution utility located in an area administered by the independent system administrator for northern Maine, or any successor of the independent system administrator for northern Maine, from using this crediting system until the Public Utilities Commission determines the utility's billing system can perform the necessary functions to implement the system. It requires the commission to consider whether an alternative system to the crediting system for northern Maine could be developed and utilized in the interim period before the utility's billing system is modified to allow a market-based crediting system.

It requires the Public Utilities Commission to procure, to the maximum extent possible, 20 megawatts of large-scale community solar distributed generation resources. It requires that the contract rate be calculated annually and that no contract may be for more than 6¢ per kilowatt-hour or the average wholesale electricity rate over the preceding 12 months, whichever is less.

Lastly, it requires the Public Utilities Commission to conduct an analysis of the costs and benefits to ratepayers for both net energy billing and the market-based crediting system in an adjudicatory proceeding and to report those findings to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters no later than January 1, 2019.

This amendment was not adopted.

Senate Amendment "A" To Committee Amendment "A" (S-293)

This amendment makes the following changes to Committee Amendment "A."

1. It requires a net energy billing customer to receive 100% of the net energy of an eligible facility for the customer's transmission and distribution bill until December 31, 2019, instead of December 31, 2021.
2. It changes from 200 to 100 the limit on the number of eligible customers that may participate in a single shared interest in an eligible facility or the number of meters associated with a single shared interest, except in the service territory of a transmission and distribution utility located in an area administered by the independent system administrator for northern Maine.
3. It changes the report date for the Public Utilities Commission to January 1, 2020, for recommendations on how to transition from net energy billing to time-of-use rates, market-based rates or other rate design options.

This amendment was adopted in the Senate.

House Amendment "B" To Committee Amendment "A" (H-554)

This amendment to Committee Amendment "A" requires a net energy billing customer that applies for a net energy billing arrangement by December 31, 2017, to receive 100% of the net energy of an eligible facility for the

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customer's transmission and distribution bill, a customer that applies for a net energy billing arrangement after December 31, 2017, and by December 31, 2018, to receive 90% of the net energy of an eligible facility for the customer's transmission and distribution bill and a customer that applies for a net energy billing arrangement after December 31, 2018, and by December 31, 2019, to receive 80% of the net energy of an eligible facility for the customer's transmission and distribution bill. It allows the Public Utilities Commission by rule to reduce by up to 10% in any calendar year after December 31, 2019, the percentage of an eligible customer's net energy that applies to that customer's transmission and distribution bill as long as any reduction applies only to customers that apply for a net energy billing arrangement in that calendar year. It specifies that an eligible customer that applies for a net energy billing arrangement by December 31, 2017, may continue with the net energy billing arrangement until the end of the calendar year in 2032 and that an eligible customer that applies for a net energy billing arrangement after December 31, 2017, may continue with that net energy billing arrangement until the end of the calendar year that is 15 years from the year in which the customer applied for the net energy billing arrangement. It reduces from 200 to 100 the number of eligible customers that may participate in a shared interest in an eligible facility or the number of meters associated with a single shared interest in an eligible facility. It changes the date for a report required to be submitted to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters by the Public Utilities Commission from January 1, 2021, to January 1, 2019, and it requires that the Public Utilities Commission conclude an adjudicatory proceeding by December 31, 2018. This amendment also removes changes made regarding exit fees.

LD 1513 An Act To Provide for Affordable Long-term Energy Prices in Maine ONTP

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

This bill prohibits the Public Utilities Commission from directing an investor-owned transmission and distribution utility to enter into a long-term contract for capacity resources or energy or renewable energy credits associated with capacity resources unless the commission determines that the in-state economic benefits substantially outweigh the expected costs of the contract.

LD 1514 An Act To Provide Maine Landlords Advance Notice of Water Disconnection Postings Died Between Houses

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WADSWORTH N DION M	ONTP OTP-AM	

This bill requires a water utility to provide a landlord who is billed for water utility service for a rental property written notice at least three days prior to the water utility's posting any disconnection notices at the rental property.

Committee Amendment "A" (H-273)

This amendment is the minority report of the committee and replaces the bill. It requires that a water utility provide a landlord that is billed for water service provided to a rental property notice of an upcoming posting of a disconnection notice at the rental property before that water utility posts the disconnection notice.

This amendment was not adopted.