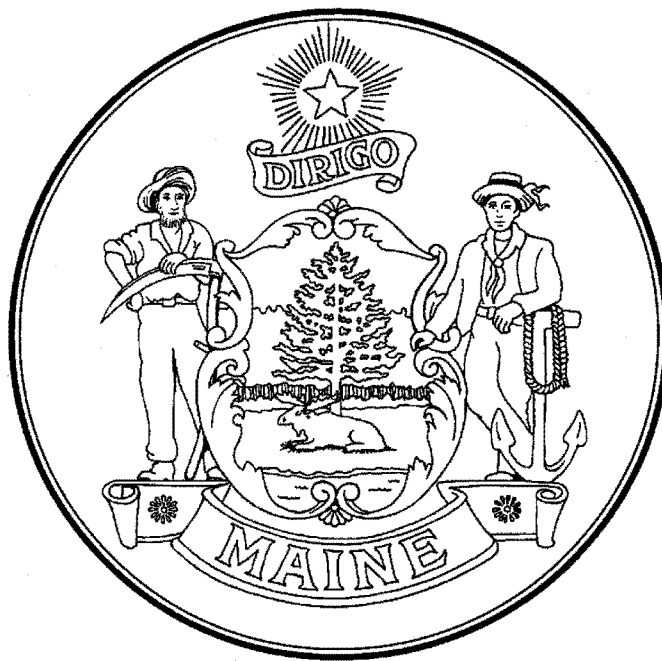


MAINE STATE LEGISLATURE

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STATE OF MAINE
130TH LEGISLATURE

LEGISLATIVE NOTICES

JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

Sen. Cathy Breen, Senate Chair

Rep. Teresa Pierce, House Chair

PUBLIC HEARING: Wednesday, February 24, 2021, 10:00 AM, State House, Room 228

(L.D. 221) Bill "An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2021, June 30, 2022 and June 30, 2023" (HP0156) (Presented by Representative PIERCE, T. of Falmouth)

CONTACT PERSON: Mandy Shorey
 100 State House Station
 Augusta, ME 04333-0100
 287-1635

Please Note: Committees will not be receiving testimony at the State House complex at this time and will be conducting all meetings electronically. To register to provide oral testimony over the electronic platform or via a toll-free phone number, contact the committee clerk using the committee email address indicated above. To provide oral testimony, register no later than 30 minutes prior to the posted start time of the meeting; registrations received after that time will be accepted at the discretion of the committee chairs. Committee meetings may be heard at www.mainelegislature.org or viewed at www.youtube.com/mainestatelegislature.

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AGENCY TESTIMONY SIGN IN SHEET

Joint Standing Committee on Appropriations and the Joint Standing Committee
on Energy, Utilities and Technology

Joint with LD 221 - 2/24/2021- 10:00 AM

An Act Making Unified Appropriations and Allocations for the Expenditures of
State Government, General Fund and Other Funds and Changing Certain
Provisions of the Law Necessary to the Proper Operations of State Government
for the Fiscal Years Ending June 30, 2021, June 30, 2022 and June 30, 2023

Name	Town/Affiliation	Proponent	Opponent	Neither
Peggy Schaffer	Connect Maine Authority & BroadBand			
Anastasia Hediger	Efficiency Maine Trust			
Dan Burgees	Governors Energy Office			
Melissa Winne	Governors Energy Office			
Barry Hobbins	Public Advocate			
Shareen Thompson	Public Advocate			
Amy Demeny	PUC			
Harry Lanphear	PUC			
Kirsten Figueroa	Telecommunications Relay Service Council			

**TESTIMONY
OF PEGGY SCHAFFER, DIRECTOR, CONNECTMAINE AUTHORITY**

Before the Joint Standing Committee on Appropriations and Financial Affairs and the
Joint Standing Committee on Energy, Utilities and Technology

Hearing Date: February 24, 2021

“An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2021, June 30, 2022 and June 30, 2023.”

Good morning Senator Breen, Representative Pierce and members of the Joint Standing Committee on Appropriations and Financial Affairs; Senator Lawrence, Representative Berry and members of the Joint Standing Committee on Energy, Utilities and Technology. My name is Peggy Schaffer and I am the Director of the ConnectMaine Authority. I am here today to testify in support of LD221, the Biennial Budget and those initiatives relating to ConnectMaine and the Office of Broadband Development.

As Governor Mills said, at a time when Maine people are hurting, when small businesses are struggling to keep their doors open, when the ranks of the unemployed have swelled, and when we are fighting a deadly virus all around us, we are proposing balanced budgets as required by the Constitution that continue efficiencies, good fiscal management and curtailments to cover projected revenue shortfalls for all three fiscal years. They focus on combatting the COVID-19 pandemic by continuing to rebuild the State’s public health infrastructure and protecting essential health care, education, and life-saving services. They do not change Maine tax rates and they maintain the Budget Stabilization Fund. With a future made unpredictable due to the ongoing pandemic, these budgets make good on the promise of government, which is to protect and support the wellbeing of our people and institutions.

OFFICE OF BROADBAND DEVELOPMENT

The Office of Broadband Development provides assistance and staffing to the ConnectMaine Authority Board in the administration and financial assistance to communities for expanding broadband and services. The Office supports the ConnectMaine Authority Board and coordinates monthly board meetings and coordination of the strategic plan and the grants program.

OFFICE OF BROADBAND DEVELOPMENT Z245

The baseline budget request for the Office of Broadband Development may be found on **page A-146**. The ConnectMaine Fund supports the ConnectMaine Authority in its work to expand Maine's broadband infrastructure and requires an allocation of Other Special Revenue Funds to support the two staff members and grant assistance funding from current assessments. **There are no initiatives for this program.**

CONNECTMAINE AUTHORITY

The ConnectMaine Authority is a public instrumentality of Maine state government, whose mission is to facilitate the universal availability of broadband to all Maine households and businesses and help them understand the valuable role it can play in enriching their lives and helping their communities thrive. Duties of the Authority include establishing criteria defining unserved and under-served areas; promoting and supporting broadband investment; collecting and disseminating information and

facilitating state support of deployment of broadband infrastructure. The Authority consists of seven voting members.

Created by the Legislature in 2006, the ConnectMaine Authority exists to develop and carry out its broadband strategy and goals that include – Broadband service be universally available in this State, including to all residential and business locations and community anchor institutions – There be secure, reliable, competitive and sustainable forward-thinking infrastructure that can meet future broadband needs and All residents, businesses and institutions in the State be able to take full advantage of the economic opportunities available through broadband service. Over the past 13 years, ConnectMaine has provided \$12.33 million dollars in grants to fund projects investing over \$24 million dollars in communities all over Maine. Between October of 2020 and August of 2021, ConnectMaine will have granted \$22 million in funding, almost twice what we have done in the past 12 years combined.

ConnectMaine is funded by two separate assessments. The first is .25% on the revenues of those people with land lines. This was put in place in 2007, and is a declining revenue source. Landlines have decreased statewide by about 64% since 2008. This source is about \$1.3 million a year. The second which was added in January 2020 as a result of the 2019 biennial budget, is 10 cents per land line phone number. It generates about \$600K a year. Combined, the two revenue streams combined is roughly \$1,700,000 a year.

Last session the Legislature also passed a bond proposal to expand broadband for \$15 million dollars, that bond issue was approved by over 75% of the voters in July. We will be opening our first round of grant applications with that funding tomorrow.

CONNECTMAINE FUND Z294

The request for the ConnectMaine Fund may be found on **page A-95**. The ConnectMaine Fund supports the ConnectMaine Authority in its work to expand Maine's broadband infrastructure. **There are two initiatives for this program.**

The **first initiative** establishes an allocation of \$600,000 in both FY22 and FY23 in the Other Special Revenue Funds to reflect anticipated revenues as a result of the surcharge implemented in Public Law 2019, chapter 343. This is new surcharge added in January of 2020 of 10 cents per land line.

The **second initiative** increase the allocation by \$1,116,285 in both FY22 and FY23 in the Other Special Revenue Funds to reflect the language in Part AA ConnectMaine Surcharge.

LANGUAGE

Part AA of the Language Section may be found on **Pages 26 and 27** and clarifies the new 10 cent ConnectMaine surcharge. The history is that the new surcharge of 10 cents per line was a result of a reduction in the E-911 fee collected by the Maine Public Utilities Commission on all phone numbers in the last budget. The E-911 fee was dropped from 45 cents per number (cell and land) to 35 cents. The remaining ten cents per number was supposed to be moved to a new ConnectMaine fee. That would have provided additional revenue of \$1.7million per year for ConnectMaine.

But because of the way the language was written, it only applied to land line numbers, reducing the revenue to \$600,000. What this language does is allow the original intent of the reduction in e-911 charge to be moved over to ConnectMaine, both cell number and land lines.

Beginning January 1, 2022, the ConnectMaine surcharge of 10 cents per month per line will be levied on each residential and business telephone exchange line, including private branch exchange lines and Centrex lines; semipublic coin and public access lines;

customers of interconnected voice over internet protocol service and customers of cellular and wireless telecommunications service that is not prepaid wireless telecommunications services.

This concludes my testimony for the Office of Broadband Development.

MAINE PUBLIC UTILITIES COMMISSION

An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2022 and June 30, 2023

Before the Joint Standing Committee on Appropriations and Financial Affairs and Energy, Utilities and Technology

February 24, 2021

Senator Breen, Representative Pierce, Senator Lawrence, Representative Berry, Members of the Joint Standing Committees on Appropriations and Financial Affairs and Energy, Utilities and Technology, I am Harry Lanphear, Administrative Director of the Maine Public Utilities Commission (Commission or PUC).

The Commission was established by the Maine Legislature in 1913 and is responsible for regulating Maine's electric, gas, telephone and water utilities. The Commission also has limited authority over rates and service of ferry transportation. In addition to its regulatory role, the Commission also enforces Gas Safety and the Underground Damage Prevention Program and manages the statewide Enhanced 911 (E911) system.

The Commission is divided into six operating areas according to industry area or function. The Telephone and Water Division and the Electric and Gas Division are designated to work on the issues related to these regulated industries. The Emergency Services Communication Bureau (ESCB) manages the statewide E911 system, including program development and implementation. The Consumer Assistance and Safety Division (CASD) provides information and assistance to utility customers to help them resolve disputes with utilities. The CASD also oversees gas safety regulation and enforcement as well as Dig Safe. The Legal Division provides hearing officers in cases before the Commission and assists in preparing and presenting Commission views on legislative proposals. The Administrative Division handles day-to-day operational management of the Commission, with responsibilities for fiscal, personnel, technology and other administrative matters.

The Commission staff totals 65.5 positions including accountants, engineers, lawyers, financial analysts, economists, consumer specialists and administrative and support staff. The Commission is funded through an assessment on utilities and the E911 system is funded through a surcharge on telephone lines which is described in more detail below.

There are no new initiatives in the 2022-2023 biennial budget for the PUC. However, there is a 2.60% overall baseline increase due to routine adjustments in salary, benefits and related STA-CAP all of which are approved by the Bureau of the Budget. The baseline budget is comprised of \$60,000 in Federal Expenditures Fund and \$21,005,733 in Other Special Revenue Funds.

EMERGENCY SERVICES COMMUNICATION BUREAU 0994

The first Budget Program presented in the Committee document is labeled “Emergency Services Communication Bureau 0994” (**page A-462**). The baseline budget presented shows this Budget Program is comprised of Other Special Revenue Funds. The fund encompasses Personal Services for 9 positions and All Other expenditures consisting primarily of information technology contracts and services to support the E911 system.

The E911 system is funded entirely through a surcharge on wireline, wireless (cellular), prepaid wireless and interconnected voice over internet protocol (VoIP) telephone service. The surcharge is currently \$0.35 per line.

There are no new initiatives in the ESCB budget. The biennial budget reflects 9 positions and \$7,271,062 in FY22 and \$7,288,665 in FY23 in Other Special Revenue Funds.

OVERSIGHT AND EVALUATION PROGRAM Z106

The next Budget Program presented in the Committee document is labeled “Oversight and Evaluation Program Z106” (**page A-463**). The baseline budget presented shows this Budget Program is comprised of Other Special Revenue Funds.

The Commission was required to establish this program pursuant to Public Law 2009, c. 372, which established the Efficiency Maine Trust (Trust). The purpose of the Oversight and Evaluation Program is to defray the Commission’s expenses in overseeing the Trust, including but not limited to contracting with third party consultants in reviewing and approving the Trust’s Triennial Plan. Public Law 2009, c. 372, also provides for the Commission to assess up to 1% of the funds administered by the Trust to cover the costs of this oversight.

There are no new initiatives in this budget. The biennial budget reflects \$252,660 in FY22 and FY23 in Other Special Revenue Funds.

ADMINISTRATIVE DIVISION PROGRAM 0184

The next Budget Program presented in the committee document is labeled “Administrative Division Program 0184” (page A-464). The baseline budget presented shows this Budget Program is comprised of Federal Expenditures Fund and Other Special Revenue Funds. The Administrative Division Program provides the Commission with the resources to regulate Maine’s electric, gas, telephone and water utilities, ensuring that consumers have access to safe and reliable service from public utilities at rates that are just and reasonable. In addition, this program provides funding for gas safety regulation including damage prevention and pipeline safety work performed by the Commission.

These Commission functions are funded through an assessment on regulated utilities. The Commission also receives federal funds from the U.S. Department of Transportation’s One Call Grant to partially fund damage prevention investigators who enforce Maine’s underground facilities damage prevention law. The small increases in this program are due to routine adjustments in salary, benefits and related STA-CAP all of which are approved by the Bureau of the Budget.

There are no new initiatives in the Administrative Division Program. The biennial budget reflects \$60,000 in FY22 and FY23 in Federal Expenditures Fund and also reflects 56.5 positions and \$13,185,936 in FY22 and \$13,464,408 in FY23 in Other Special Revenue Funds.

CONCLUSION

This concludes the testimony of the Public Utilities Commission. I would be happy to answer any questions you have.



Testimony of the Efficiency Maine Trust -- Z100

LD 221: An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund, and Other Funds and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2021, June 30, 2022 and June 30, 2023

Presented to the Joint Committee on Appropriations and Financial Affairs

February 24, 2021

Senator Breen, Representative Pierce, and Members of the Committee on Appropriations and Financial Affairs, the Efficiency Maine Trust (Efficiency Maine) appreciates the opportunity to provide information about account Z-100 in the Supplemental Budget.

Over the past decade, Efficiency Maine has been nationally recognized for success in running energy conservation programs that are innovative, strategically designed, affordably administered, carefully accounted for, and highly cost-effective. In its Annual Report for FY2020, Efficiency Maine calculated that its programs spurred \$49 million of incremental private investment in energy upgrades throughout the state that will achieve annual energy savings of 132.0 million kWh and 147,488 MMBtu and lower energy bills by \$237 million over the lifetime of the upgrades. The programs delivered a Benefit-to-Cost Ratio, factoring in total quantified economic benefits and total incremental costs of 2.37-to-1 for electricity and 2.45-to-1 for unregulated fuels and natural gas. These programs are working to help Maine's homeowners, businesses, institutions and governmental bodies make smarter equipment purchases and accelerate their investment in building upgrades, which in turn is strengthening Maine's economy and environment.

The budgets for Efficiency Maine's programs are funded through revenues received directly from the electric utilities, the natural gas utilities, the Regional Greenhouse Gas Initiative (RGGI), and the Forward Capacity Market at ISO-New England. In the most recently approved version of the State budget, approximately \$2.45 million of assessments from natural gas utility ratepayers appeared in Other Special Revenue Funds for the Efficiency Maine account (Z100). However, due to a change effectuated by the passage of PL 2019, Chapter 313 in 2019, the natural gas utility ratepayer assessments are no longer paid to the Maine Public Utilities Commission before being remitted to Efficiency Maine (now they are being remitted directly to Efficiency Maine). As such, that same \$2.45 million amount is being removed from the Other Special Revenue Funds in the State's biennial budget. The Personal Services (\$154,000) relates to a single FTE working at Efficiency Maine who is a State Employee, and the remaining All Other budget (\$15,747) relates to administrative costs of the State associated with that State employee.

If we can be of assistance answering further questions about our finances, please do not hesitate to ask.
Respectfully,

/s/MDS

Michael D. Stoddard
Executive Director



State of Maine
Office of the Public Advocate
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Janet T. Mills
GOVERNOR

Barry J. Hobbins
PUBLIC ADVOCATE

Testimony of the Office of the Public Advocate on the Biennial Budget
FY22-23

Senator Breen, Representative Pierce, Senator Lawrence, Representative Berry, Members of the Joint Standing Committee on Appropriations and Financial Affairs, and Members of the Joint Standing Committee on Energy, Utilities and Technology.

My name is Barry Hobbins and I am the Public Advocate with the Office of the Public Advocate.

I. Overview of the Office of the Public Advocate

The Office of the Public Advocate (“OPA”) was created by the Maine Legislature in 1981 to “represent the using and consuming public,” in recognition that most utility ratepayers do not have the time, resources or expertise to participate in proceedings that determine the cost and quality of the services they receive from electricity, telecommunications, natural gas and water utilities. In the past 39 years, the OPA has represented those interests: before the Public Utilities Commission (“PUC”), the Legislature, the courts, federal regulators, and the regional bodies such

as ISO New England that increasingly effect our electricity rates. We also provide information to the public to help them make informed decisions about increasingly deregulated and complex markets.

In addition to myself the office has four Senior Counsel's, who are supported by three experienced staff members, a Consumer Advisor, and also by outside independent consultants who provide expertise in engineering, accounting, and finance under contract as needed in individual cases. This combination of a core legal staff supplemented by on-demand expertise allows our office the flexibility to respond to the diverse mix of cases and issues that we face.

Our funding comes from an assessment on the more than 146 regulated utilities providing electric, ferry, gas, telephone, and water services in Maine. Once the Legislature and Governor approve our budget, we are authorized to assess each of these utilities for a share of our allotted budget pursuant to Maine Revised Statutes, Title 35-A M.R.S. Subsection 116. The allocation to each type of utility is based on the proportion of our staff time and consultant expenditures devoted to each industry for the previous year. For example, in 2019, 79% of our staff time and consultant expenditures was devoted to electric utility matters, so 79% of our FY 2021 budget was collected from electric utilities and their customers. Once these industry-specific amounts are determined, each utility pays its share based on their proportional share

of their gross intra-state operating revenues for that type of utility in Maine.

Traditionally our office has measured its effectiveness in terms of ratepayer savings attributable solely to OPA advocacy before state and federal regulators. Last year, we estimated these ratepayer savings to be approximately \$338 million (reference: OPA FY2019-2020 Annual Report, pg. 38).

II. Biennial Budget Summary

The Office of the Public Advocate's Department Summary appears on pages A-203, A-204 of the Governor's Recommended Fiscal Year 2022-2023 General Fund Biennial Budget – Part A document, a copy of which is attached. The OPA's recommended Biennial Budget is made up of three separate funds: (1) OPA Regulatory Fund, (2) Transmission Line Fund and (3) NonWires Alternative Coordination Fund.

The OPA's combined budget for FY 2020-2021 is currently \$3,324,186. The Biennial Budget I am presenting to you increases this budget to \$3,670,097 in FY 2022 and \$3,687,001 in FY 2023. In order to prevent requesting additional funds in any supplemental budget, the Office is requesting additional funds in FY 2022 amounting to increase in Personal Services of \$114,687 and in All Other of \$164,470; and for FY 2023 in Personal Services of \$118,544 and in All Other of \$164,644. This increase is attributable to four initiatives. After careful review and justification by the

Bureau of Budget, our proposed additional funds were recommended and are included in Governor Mills' Recommended Fiscal Year 2022-2023 General Fund Biennial Budget.

Initiative 1: Economic Analyst Position

In Part of the Biennial Budget, the Office of the Public Advocate is requesting reinstatement of a position. The position was removed from the payroll in 2011. The economic analyst position was established as a critical resource providing valuable internal analysis of utilities in pending proceedings. The original position (Research Assistant) was changed to Economic Analyst, Salary range 36 in statute by Public Law chapter 226, attached hereto.

This initiative provides the necessary increase in allocation for the position title and salary range change. This initiative allows for the position to be assessed pursuant to Maine Revised Statutes, Title 35-A M.R.S., Subsection 116. Permanent funding of the position will provide valuable support in utility cases.

Initiative 2: Office Specialist I (*Confidential*) – 10th Position

In Part of the Biennial Budget, the Office of the Public Advocate is requesting funding for related All Other costs for one Office Specialist I position previously authorized by Public Law 2019, chapter 226.

This initiative provides the necessary headcount, associated All Other funding,

and allocation that allows the position to be filled and assessed for pursuant to Maine Revised Statutes, Title 35-A M.R.S., Subsection 116.

Initiative 3: Funding for Projected Increases in Operational Expenditures

This initiative provides funding for anticipated increases in operational expenses. This initiative also adjusts funding among object codes to better reflect historical expenditure trends. For these reasons, we are requesting an increase in All Other of \$12,550 in FY 2022 and \$12,660 in FY 2023 to assure that the OPA has the monetary resources to continue to perform exceptional work on behalf of Maine ratepayers before the PUC, Maine courts, Federal Energy Regulatory Commission, Federal Communications Commission, and the Maine Legislature. The Office of the Public Advocate is supported by dedicated revenues from assessments on utilities as authorized by Maine Revised Statutes, Title 35-A, chapter 1, section 116, subsection 8, attached for ease of reference.

Initiative 4: NonWires Alternative Coordination Fund Adjustment

This initiative adjusts funding and aligns allocation with projected dedicated revenue from special assessment on investor-owned transmission and distribution utility authorized in Maine Revised Statutes, Title 35-A M.R.S., chapter 1, section 116, subsection 9 for contracted services and administrative costs associated with nonwires

alternative coordination. We are requesting an increase in All Other of \$150,000 for both FY2022 and FY2023 so to align expenditures with dedicated revenue pertaining to the activities of the nonwires alternative coordinator established pursuant to Maine Revised Statutes, Title 35-A M.R.S. section 1701, subsection 2-A and previously authorized by Public Law 2019 chapter 298, attached hereto.

I appreciate the opportunity to come before you and I look forward to answering any questions you may have.

Respectfully Submitted,



Barry Hobbins
Public Advocate

PUBLIC ADVOCATE 0410

What the Budget purchases:

The Public Advocate represents Maine utility consumers in matters overseen by the Public Utility Commission (PUC) so that consumers have affordable, high quality utility services, and seeks to carry out this representation in a principled, diligent and compassionate manner. The advocacy role includes negotiating for the lowest feasible level of rates and for the delay of increases when supported by adequate evidence; implementing policy set by the PUC, the Governor, and the Legislature; maintaining frequent and consistent contact with ratepayer organizations, individual consumers and their representatives in order to better identify emerging problems affecting service quality for utility customers; pursuing in federal agency proceedings and courts each of these objectives in order to protect the interests of Maine ratepayers; and working with ISO-NE and being a member of the NEPOOL to stabilize and lower electricity prices for Maine and the northeast region.

	<u>Actual</u> 2019-20	<u>Current</u> 2020-21	<u>Budgeted</u> 2021-22	<u>Budgeted</u> 2022-23
Program Summary - OTHER SPECIAL REVENUE FUNDS				
Positions - LEGISLATIVE COUNT	9,000	9,000	9,000	9,000
Personal Services	1,299,544	1,308,115	1,374,869	1,387,742
All Other	2,017,571	2,016,071	2,016,071	2,016,071
Total	3,317,115	3,324,186	3,390,940	3,403,813

	<u>2021-22</u>	<u>2022-23</u>
Initiative: Continues one Economic Analyst position previously continued by Financial Order 001055 F1 and makes the position permanent as authorized in Maine Revised Statutes, Title 35-A, section 1701, subsection 3. Also, provides funding for related All Other costs.		

OTHER SPECIAL REVENUE FUNDS

Personal Services	32,025	31,918
All Other	536	534
Total	32,561	32,452

	<u>2021-22</u>	<u>2022-23</u>
Initiative: Establishes one Office Specialist I position to bring staffing level to ten employees as authorized in Maine Revised Statutes, Title 35-A, section 116, subsection 8 and provides funding for related All Other costs.		

OTHER SPECIAL REVENUE FUNDS

Positions - LEGISLATIVE COUNT	1,000	1,000
Personal Services	82,662	86,626
All Other	1,384	1,450
Total	84,046	88,076

	<u>2021-22</u>	<u>2022-23</u>
Initiative: Provides funding for projected increases in operational expenditures.		

OTHER SPECIAL REVENUE FUNDS

All Other	12,550	12,660
Total	12,550	12,660

	<u>2021-22</u>	<u>2022-23</u>
Initiative: Adjusts funding to align with current revenue projections.		

OTHER SPECIAL REVENUE FUNDS

All Other	150,000	150,000
Total	150,000	150,000

	<u>Actual</u> 2019-20	<u>Current</u> 2020-21	<u>Budgeted</u> 2021-22	<u>Budgeted</u> 2022-23
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Revised Program Summary - OTHER SPECIAL REVENUE FUNDS

Positions - LEGISLATIVE COUNT	9,000	9,000	10,000	10,000
Personal Services	1,299,544	1,308,115	1,489,556	1,506,286

Executive Department

	<u>Actual</u>	<u>Current</u>	<u>Budgeted</u>	<u>Budgeted</u>
	2019-20	2020-21	2021-22	2022-23
Revised Program Summary - OTHER SPECIAL REVENUE FUNDS				
All Other	2,017,571	2,016,071	2,180,541	2,180,715
Total	3,317,115	3,324,186	3,670,097	3,687,001

STATE OF MAINE

IN THE YEAR OF OUR LORD

TWO THOUSAND NINETEEN

S.P. 492 - L.D. 1557

An Act To Adjust the Staffing and Resources of the Office of the Public Advocate**Be it enacted by the People of the State of Maine as follows:**

Sec. 1. 35-A MRSA §116, sub-§8, ¶B, as amended by PL 1999, c. 259, §3, is further amended to read:

B. The Public Advocate may use the revenues provided in accordance with this section to fund the Public Advocate and 9 10 employees and to defray the costs incurred by the Public Advocate pursuant to this Title, including administrative expenses, general expenses, consulting fees and all other reasonable costs incurred to administer this Title.

Sec. 2. 35-A MRSA §1701, sub-§3, as amended by PL 2011, c. 655, Pt. P, §1, is further amended to read:

3. Salaries of certain employees. The salaries of the following employees of the Public Advocate are within the following salary ranges:

- A. Deputy Public Advocate, salary range 53;
- B. Senior Counsel, salary range 36;
- ~~D. Research Assistant, salary range 30;~~
- E. Business Services Manager, salary range 26; ~~and~~
- F. Special Assistant to the Public Advocate, salary range 20; ~~and~~
- G. Economic Analyst, salary range 36.

The employees listed in this subsection serve at the pleasure of the Public Advocate and are confidential employees. All other employees of the Public Advocate are subject to the Civil Service Law.

The Public Advocate may compensate one or more Senior Counsels at salary range 37 if, in the judgment of the Public Advocate, an increase is necessary to provide competitive salary levels.

§116. Funding of the commission

1. Entities subject to assessments. Every transmission and distribution, gas, telephone and water utility and ferry subject to regulation by the commission and every qualified telecommunications provider is subject to an assessment on its intrastate gross operating revenues to produce sufficient revenue for expenditures allocated by the Legislature for the Public Utilities Commission Regulatory Fund established pursuant to this section. The budget for the Public Utilities Commission Regulatory Fund is subject to legislative review and approval in accordance with subsection 2. The portion of the total assessment applicable to each category of public utility or qualified telecommunications provider is based on an accounting by the commission of the portion of the commission's resources devoted to matters related to each category. The commission shall develop a reasonable and practicable method of accounting for resources devoted by the commission to matters related to each category of public utility or qualified telecommunications provider. Assessments on each public utility or qualified telecommunications provider within each category must be based on the utility's or qualified telecommunications provider's gross intrastate operating revenues. The commission shall determine the assessments annually prior to May 1st and assess each utility or qualified telecommunications provider for its pro rata share for expenditure during the fiscal year beginning July 1st. Each utility or qualified telecommunications provider shall pay the assessment charged to the utility or qualified telecommunications provider on or before July 1st of each year. Any increase in the assessment that becomes effective subsequent to May 1st may be billed on the effective date of the act authorizing the increase.

A. The assessments charged to utilities and qualified telecommunications providers under this section are just and reasonable operating costs for rate-making purposes. [PL 2011, c. 623, Pt. B, §1 (AMD).]

B. For the purposes of this section, "intrastate gross operating revenues" means:

(1) In the case of all utilities except telephone utilities, revenues derived from filed rates except revenues derived from sales for resale;

(2) In the case of a telephone utility, all intrastate revenues, except revenues derived from sales for resale, whether or not the rates from which those revenues are derived are required to be filed pursuant to this Title; and

(3) In the case of a qualified telecommunications provider, all intrastate revenues except revenues derived from sales for resale. [PL 2013, c. 600, §1 (RPR).]

C. Gas utilities subject to the jurisdiction of the commission solely with respect to safety are not subject to any assessment. [RR 1995, c. 1, §29 (COR).]

D. The commission may correct any errors in the assessments by means of a credit or debit to the following year's assessment rather than reassessing all utilities or qualified telecommunications providers in the current year. [PL 2011, c. 623, Pt. B, §1 (AMD).]

E. The commission may exempt utilities or qualified telecommunications providers with annual intrastate gross operating revenues under \$50,000 from assessments under this section. [PL 2011, c. 623, Pt. B, §1 (AMD).]

For purposes of this section, "qualified telecommunications provider" means a provider of interconnected voice over Internet protocol service that paid any assessment under this subsection, whether voluntarily, by agreement with the commission or otherwise, prior to March 1, 2012. [PL 2013, c. 600, §1 (AMD).]

2. Committee recommendations; legislative approval of budget. The commission shall submit its budget recommendations, using a zero-based budgeting process or other process or method directed by the State Budget Officer, as part of the unified current services budget legislation in accordance with

Title 5, sections 1663 to 1666. The commission shall make a presentation of its budget recommendations contained in any current services budget legislation and any supplemental budget legislation to the joint standing committee of the Legislature having jurisdiction over public utilities matters. The joint standing committee of the Legislature having jurisdiction over public utilities matters shall review the commission's recommendations and make recommendations to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs regarding the budget of the commission, including but not limited to all expenditures from the fund established pursuant to this section. The commission shall make an annual report in accordance with section 120 of its planned expenditures for the year and on its use of funds in the previous year. In addition to the assessments authorized under this section, the commission may also receive other funds as appropriated or allocated by the Legislature.

[PL 2011, c. 590, §2 (AMD).]

3. Deposit of funds. All revenues derived from assessments levied against utilities or qualified telecommunications providers described in this section must be deposited with the Treasurer of State in a separate account to be known as the Public Utilities Commission Regulatory Fund.

[PL 2011, c. 623, Pt. B, §2 (AMD).]

4. Use of funds. The Public Utilities Commission may use the revenues provided in accordance with this section to defray the costs incurred by the commission pursuant to this Title, including administrative expenses, general regulatory expenses, consulting fees and all other reasonable costs incurred to administer this Title.

[PL 2007, c. 240, Pt. P, §1 (AMD).]

5. Unexpended funds. Any amount of the funds that is not expended at the end of a fiscal year does not lapse, but is carried forward to be expended for the purposes specified in this section in succeeding fiscal years.

[PL 2005, c. 135, §2 (AMD).]

6. Violations.

[PL 2003, c. 505, §11 (RP).]

7. Special assessment.

[PL 1991, c. 343, §4 (RP).]

8. Public Advocate assessment. Every utility or qualified telecommunications provider subject to assessment under this section is subject to an additional annual assessment on its intrastate gross operating revenues to produce sufficient revenue for expenditures allocated by the Legislature for operating the Office of the Public Advocate. The portion of this assessment applicable to each category of public utility or qualified telecommunications provider is based on an accounting by the Public Advocate of resources devoted to matters related to each category. The Public Advocate shall develop a reasonable and practicable method of accounting for resources devoted by the Public Advocate to matters related to each category of public utility or qualified telecommunications provider. Assessments on each public utility or qualified telecommunications provider within each category must be based on the utility's or qualified telecommunications provider's gross intrastate operating revenues. The revenues produced from this assessment are transferred to the Public Advocate Regulatory Fund and may only be used to fulfill the duties specified in chapter 17. The assessments charged to utilities and qualified telecommunications providers under this subsection are considered just and reasonable operating costs for rate-making purposes. The Public Advocate shall develop a method of accounting for staff time within the Office of the Public Advocate. All professional and support staff shall account for their time in such a way as to identify the percentage of time devoted to public utility and qualified telecommunications provider regulation and the percentage of time devoted to other duties that may be required by law.

A. The Public Advocate shall submit its budget recommendations, using a zero-based budgeting process or other process or method directed by the State Budget Officer, as part of the unified current services budget legislation in accordance with Title 5, sections 1663 to 1666. The assessments and expenditures provided in this section are subject to legislative approval. The Public Advocate shall make an annual report of its planned expenditures for the year and on its use of funds in the previous year. The Public Advocate may also receive other funds as appropriated by the Legislature. [PL 2011, c. 590, §3 (AMD).]

B. The Public Advocate may use the revenues provided in accordance with this section to fund the Public Advocate and 10 employees and to defray the costs incurred by the Public Advocate pursuant to this Title, including administrative expenses, general expenses, consulting fees and all other reasonable costs incurred to administer this Title. [PL 2019, c. 226, §1 (AMD).]

C. [PL 1993, c. 633, §1 (RP); PL 1993, c. 633, §3 (AFF).]

C-1. Funds that are not expended at the end of a fiscal year do not lapse but must be carried forward to be expended for the purposes specified in this section in succeeding fiscal years. [PL 2005, c. 135, §3 (AMD).]

D. [PL 2003, c. 505, §12 (RP).]
[PL 2019, c. 226, §1 (AMD).]

9. Public Advocate special assessment. Each investor-owned transmission and distribution utility subject to assessment under this section is subject to an additional annual assessment on its intrastate gross operating revenues to produce sufficient revenue for expenditures of the Office of the Public Advocate for contracted services and administrative costs associated with the nonwires alternative coordinator pursuant to section 1701, subsection 2-A. Revenue produced from the assessments must be deposited in the Public Advocate Regulatory Fund and used only for purposes specified in this subsection.

[PL 2019, c. 298, §2 (NEW).]

SECTION HISTORY

PL 1987, c. 141, §A6 (NEW). PL 1987, c. 631, §§4,5 (AMD). PL 1989, c. 58, §§1,2 (AMD). PL 1989, c. 571, §A3 (AMD). PL 1989, c. 875, §§E44,45 (AMD). PL 1991, c. 9, §§E19-21 (AMD). PL 1991, c. 343, §§1-4 (AMD). PL 1991, c. 528, §CC2 (AMD). PL 1991, c. 528, §RRR (AFF). PL 1991, c. 591, §CC2 (AMD). PL 1993, c. 118, §4 (AMD). PL 1993, c. 174, §1 (AMD). PL 1993, c. 633, §§1,2 (AMD). PL 1993, c. 633, §3 (AFF). RR 1995, c. 1, §29 (COR). PL 1995, c. 225, §4 (AMD). PL 1995, c. 368, §L1 (AMD). PL 1995, c. 665, §O1 (AMD). PL 1997, c. 424, §§B4,5 (AMD). PL 1997, c. 586, §4 (AMD). PL 1997, c. 643, §J1 (AMD). PL 1997, c. 719, §1 (AMD). PL 1999, c. 259, §3 (AMD). PL 1999, c. 398, §C1 (AMD). PL 2001, c. 28, §1 (AMD). PL 2001, c. 136, §1 (AMD). PL 2003, c. 272, §§1,2 (AMD). PL 2003, c. 505, §§11,12 (AMD). PL 2005, c. 3, §J1 (AMD). PL 2005, c. 135, §§1-3 (AMD). PL 2007, c. 16, §§1, 2 (AMD). PL 2007, c. 240, Pt. P, §1 (AMD). PL 2007, c. 478, §1 (AMD). PL 2007, c. 539, Pt. KK, §13 (AMD). PL 2011, c. 590, §§2, 3 (AMD). PL 2011, c. 623, Pt. B, §§1-3 (AMD). PL 2013, c. 600, §1 (AMD). PL 2019, c. 226, §1 (AMD). PL 2019, c. 298, §2 (AMD).

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STATE OF MAINE

IN THE YEAR OF OUR LORD

TWO THOUSAND NINETEEN

H.P. 855 - L.D. 1181

An Act To Reduce Electricity Costs through Nonwires Alternatives

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 35-A MRSA §102, sub-§13, as amended by PL 2009, c. 539, §1, is further amended to read:

13. Public utility. "Public utility" includes every gas utility, natural gas pipeline utility, transmission and distribution utility, telephone utility, water utility and ferry, as those terms are defined in this section, and each of those utilities is declared to be a public utility. "Public utility" does not include the operation of a radio paging service, as that term is defined in this section, or mobile telecommunications services unless only one entity or an affiliated interest of that entity, as defined in section 707, subsection 1, paragraph A, exclusively controls the use of the radio frequency spectrum assigned by the Federal Communications Commission to provide mobile service to the service area. "Public utility" includes a smart grid coordinator as defined in section 3143, subsection 1, paragraph B.

Nothing in this subsection precludes:

- A. The jurisdiction, control and regulation by the commission pursuant to private and special act of the Legislature;
- B. The commission's jurisdiction and control over and regulation of a public utility that provides, in addition to other services, radio paging service or mobile telecommunications services;
- C. The commission's jurisdiction and control over and regulation of basic exchange telephone service offered by a provider of mobile telecommunications services if, after investigation and hearing, the commission determines that the provider is engaged in the provision of basic exchange telephone service; and
- D. Negotiations for, or negates agreements or arrangements existing on the effective date of this paragraph relating to, rates, terms and conditions for interconnection provided by a telephone utility to a company providing radio paging or mobile telecommunications services.

Sec. 2. 35-A MRSA §116, sub-§9 is enacted to read:

9. Public Advocate special assessment. Each investor-owned transmission and distribution utility subject to assessment under this section is subject to an additional annual assessment on its intrastate gross operating revenues to produce sufficient revenue for expenditures of the Office of the Public Advocate for contracted services and administrative costs associated with the nonwires alternative coordinator pursuant to section 1701, subsection 2-A. Revenue produced from the assessments must be deposited in the Public Advocate Regulatory Fund and used only for purposes specified in this subsection.

Sec. 3. 35-A MRSA §1701, sub-§2-A is enacted to read:

2-A. Nonwires alternative policy; coordinator; services. The Public Advocate shall contract with a person or entity, referred to in this subsection as "the nonwires alternative coordinator," to provide services in accordance with this subsection. As used in this subsection, "nonwires alternative" has the same meaning as in section 3131, subsection 4-C. The nonwires alternative coordinator shall:

A. Review small transmission project and distribution project planning studies in accordance with section 3132-B;

B. Investigate and make recommendations regarding nonwires alternatives to proposed capital investments in the transmission and distribution system pursuant to sections 3132, 3132-A and 3132-B and in accordance with section 3132-C;

C. Conduct benefit-cost analyses to evaluate the cost-effectiveness of nonwires alternatives and make recommendations regarding nonwires alternatives and procurement of recommended nonwires alternatives in accordance with sections 3132-C and 3132-D; and

D. Track the implementation of nonwires alternative projects in the State and issue quarterly reports on the projects' progress, including project budgets, timelines, in-service dates, costs incurred, operational savings and other benefits.

The nonwires alternative coordinator shall collaborate with the Efficiency Maine Trust, transmission and distribution utilities and interested parties in performing the services required by this subsection.

The Public Advocate shall include in its annual report required under section 1702, subsection 6 information regarding the services provided by the nonwires alternative coordinator.

Sec. 4. 35-A MRSA §1701, sub-§3, ¶F, as enacted by PL 1999, c. 259, §4, is amended to read:

F. Special Assistant to the Public Advocate, salary range ~~20~~ 25.

Sec. 5. 35-A MRSA §3131, sub-§§4-C and 4-D are enacted to read:

4-C. Nonwires alternative. "Nonwires alternative" means a nontransmission alternative or an infrastructure, technology or application that defers or reduces the need

for capital investment in the transmission and distribution system and addresses system reliability needs proposed to be met by the transmission or distribution system investment.

4-D. Nonwires alternative coordinator. "Nonwires alternative coordinator" means the person or entity providing services under contract to the Office of the Public Advocate as described in section 1701, subsection 2-A.

Sec. 6. 35-A MRSA §3131, sub-§8 is enacted to read:

8. Cost-effective. "Cost-effective" means, with respect to nonwires alternatives, that benefits exceed costs, as determined by benefit-cost analysis conducted pursuant to section 3132-C, subsection 2.

Sec. 7. 35-A MRSA §3132, sub-§2-D, as enacted by PL 2017, c. 201, §4, is amended to read:

2-D. Nontransmission alternatives investigation; consideration. In considering whether to approve or disapprove all or portions of a proposed transmission line and associated infrastructure pursuant to subsection 5, the commission shall, for a transmission line proposed by an investor-owned transmission and distribution utility, consider the results and recommendations of an investigation by an independent 3rd party, which may be the commission or a contractor selected by the commission, of nontransmission alternatives to construction of the proposed transmission line. The investigation must set forth the total projected costs of the transmission line as well as the total projected costs of the alternatives over the effective life of the proposed transmission line the nonwires alternative coordinator conducted in accordance with section 3132-C.

Sec. 8. 35-A MRSA §3132, sub-§3, as amended by PL 2009, c. 123, §3, is further amended to read:

3. Transmission line rebuilding or relocation projects. Each transmission and distribution utility shall file annually with the commission and the Office of the Public Advocate, for review by the nonwires alternative coordinator, a schedule of transmission line rebuilding or relocation projects that it intends to carry out during the next 5 years concerning transmission lines that will become, or will remain at, voltages of 69 kilovolts or more. The schedule must describe each project, showing the length, location and estimated cost.

If the commission determines that an investigation of any transmission line rebuilding or relocation project is warranted, it shall notify the transmission and distribution utility within 60 days of the annual filing and the transmission and distribution utility is then required to comply with the provisions of this section with respect to that project. The absence of commission notification requiring the utility to file a petition does not preclude such notification in subsequent years.

Sec. 9. 35-A MRSA §3132, sub-§3-A, as amended by PL 2009, c. 123, §4, is further amended to read:

3-A. Minor transmission line construction projects. Each domestic transmission and distribution utility shall file annually with the commission and the Office of the Public Advocate, for review by the nonwires alternative coordinator, a schedule of minor transmission line construction projects that it intends to carry out during the next 5 years concerning transmission lines that will be capable of operating at 69 kilovolts or more. A minor transmission line construction project is a transmission line construction project the cost of which does not exceed 25% of the utility's current annual transmission property depreciation charge. The schedule must describe each project, showing the length, location and estimated cost.

If the commission determines that an investigation of any minor transmission line construction project is warranted, it shall notify the transmission and distribution utility within 60 days of the annual filing and the utility must then comply with the provisions of this section with respect to that project. The absence of commission notification requiring the utility to file a petition does not preclude such notification in subsequent years.

Sec. 10. 35-A MRSA §3132, sub-§5, as amended by PL 2013, c. 369, Pt. C, §4, is further amended to read:

5. Commission approval of a proposed transmission line; nontransmission alternatives. The commission may approve or disapprove all or portions of a proposed transmission line and shall make such orders regarding its character, size, installation and maintenance and regarding nontransmission alternatives to the proposed transmission line as are necessary, having regard for any increased costs caused by the orders. ~~The~~ In its review and consideration of nontransmission alternatives, as required by subsection 2-D, the commission shall give preference to the nontransmission alternatives that have been identified as able to address the identified need for the proposed transmission line at lower total cost to ratepayers in this State most cost-effectively. When the ~~costs to ratepayers in this State~~ cost-effectiveness of the identified nontransmission alternatives are reasonably equal, the commission shall give preference to the alternatives that produce the lowest amount of local air emissions, including greenhouse gas emissions.

Sec. 11. 35-A MRSA §3132, sub-§6, as amended by PL 2013, c. 369, Pt. C, §5, is further amended to read:

6. Commission order; certificate of public convenience and necessity. In its order, the commission shall make specific findings with regard to the public need for the proposed transmission line. The commission shall make specific findings with regard to the likelihood that nontransmission alternatives can sufficiently address the identified public need over the effective life of the transmission line at lower total cost more cost-effectively. ~~Except as provided in subsection 6-A for a high impact electric transmission line and in accordance with subsection 6-B regarding nontransmission alternatives, if~~ If the commission finds that a public need exists, after considering whether the need can be ~~economically and reliably~~ and more cost-effectively met using nontransmission alternatives, it shall issue a certificate of public convenience and necessity for the transmission line. In determining public need, the commission shall, at a minimum, take into account economics, reliability, public health and safety, scenic, historic and recreational values, state renewable energy generation goals, the proximity of the

proposed transmission line to inhabited dwellings and nontransmission alternatives to construction of the transmission line, including energy conservation, distributed generation or load management. If the commission orders or allows the erection of the transmission line, the order is subject to all other provisions of law and the right of any other agency to approve the transmission line. The commission shall, as necessary and in accordance with subsections 7 and 8, consider the findings of the Department of Environmental Protection under Title 38, chapter 3, subchapter 1, article 6, with respect to the proposed transmission line and any modifications ordered by the Department of Environmental Protection to lessen the impact of the proposed transmission line on the environment. A person may submit a petition for and obtain approval of a proposed transmission line under this section before applying for approval under municipal ordinances adopted pursuant to Title 30-A, Part 2, Subpart 6-A; and Title 38, section 438-A and, except as provided in subsection 4, before identifying a specific route or route options for the proposed transmission line. Except as provided in subsection 4, the commission may not consider the petition insufficient for failure to provide identification of a route or route options for the proposed transmission line. The issuance of a certificate of public convenience and necessity establishes that, as of the date of issuance of the certificate, the decision by the person to erect or construct was prudent. At the time of its issuance of a certificate of public convenience and necessity, the commission shall send to each municipality through which a proposed corridor or corridors for a transmission line extends a separate notice that the issuance of the certificate does not override, supersede or otherwise affect municipal authority to regulate the siting of the proposed transmission line. The commission may deny a certificate of public convenience and necessity for a transmission line upon a finding that the transmission line is reasonably likely to adversely affect any transmission and distribution utility or its customers.

Sec. 12. 35-A MRSA §3132-A, as amended by PL 2017, c. 201, §§5 and 6, is further amended to read:

§3132-A. Construction of transmission projects prohibited without approval of the commission

A person may not construct any transmission project without approval from the commission. For the purposes of this section, "transmission project" means any proposed transmission line and its associated infrastructure capable of operating at less than 69 kilovolts and projected to cost in excess of ~~\$20,000,000~~ \$5,000,000.

1. Submission requirement. A person that proposes to undertake in the State a transmission project must provide the commission with a description of the need for the proposed transmission project.

1-A. Nonwires alternatives investigation; consideration. In considering whether to approve or disapprove all or portions of a proposed transmission project pursuant to subsection 2, the commission shall, for a transmission project proposed by an investor-owned transmission and distribution utility, consider the results and recommendations of an investigation by ~~an independent 3rd party, which may be the commission or a contractor selected by the commission~~, of nontransmission alternatives to construction of

~~the proposed transmission project the nonwires alternative coordinator conducted in accordance with section 3132-C. The investigation must set forth the total projected costs of the transmission project as well as the total projected costs of the alternatives over the effective life of the proposed transmission project.~~

2. Commission approval of a proposed transmission project; nontransmission alternatives. In order for a transmission project to be approved, the commission must consider whether the identified need over the effective life of the proposed transmission project can be ~~economically~~ and reliably and more cost-effectively met using nontransmission alternatives at a lower total cost. ~~During~~ In its review and consideration of nontransmission alternatives, as required by subsection 1-A, the commission shall give preference to nontransmission alternatives that ~~are~~ have been identified as able to address the identified need for the proposed transmission project ~~at lower total cost to ratepayers~~ most cost-effectively. ~~Of the identified nontransmission alternatives, the commission shall give preference to the lowest cost nontransmission alternatives.~~ When the costs to ~~ratepayers~~ cost-effectiveness of the identified nontransmission alternatives are reasonably equal, the commission shall give preference to the alternatives that produce the lowest amount of local air emissions, including greenhouse gas emissions.

3. Exception. A transmission project that is constructed, owned and operated by a generator of electricity solely for the purpose of electrically and physically interconnecting the generator to the transmission system of a transmission and distribution utility is not subject to this section.

Sec. 13. 35-A MRS §3132-B is enacted to read:

§3132-B. Small transmission and distribution projects

For the purposes of this section, "small transmission project" means any proposed transmission line and associated infrastructure capable of operating at less than 69 kilovolts and projected to cost \$5,000,000 or less.

1. Planning study. Each investor-owned transmission and distribution utility in this State shall annually complete and submit to the Office of the Public Advocate, for review by the nonwires alternative coordinator, a planning study for small transmission projects and distribution projects. In completing the planning study, an investor-owned transmission and distribution utility shall develop and use system planning models. The study must:

- A. Analyze system needs for the next 5 years and provide a schedule of proposed projects and associated costs;
- B. Describe system capacity and load by substation and circuit; and
- C. Identify corresponding planned and anticipated growth-related investments.

After review of a planning study submitted under this subsection, the nonwires alternative coordinator may provide comments or recommendations, which may include recommendations to achieve the policy goals established in section 3143. An investor-owned transmission and distribution utility may, at its discretion, incorporate recommendations on a planning study made by the nonwires alternative coordinator.

Failure to incorporate recommendations made by the nonwires alternative coordinator may not result in a presumption of imprudence.

2. Nonwires alternatives investigation. Except as provided in subsection 3, for a proposed project presented in a planning study under subsection 1, the nonwires alternative coordinator:

A. Shall investigate nonwires alternatives if the project is a small transmission project or is a distribution project estimated to cost \$500,000 or more; and

B. May investigate nonwires alternatives if the project is a distribution project estimated to cost less than \$500,000 and, in the judgment of the nonwires alternative coordinator, there is a reasonable likelihood that a nonwires alternative would be more cost-effective than the proposed distribution project.

An investigation of nonwires alternatives under this subsection must be conducted in accordance with section 3132-C.

3. Excluded projects; criteria. The commission, by rule, shall develop criteria to exclude from investigation by the nonwires alternative coordinator small transmission projects and distribution projects best suited to transmission and distribution investments, including but not limited to projects that are:

A. Necessary for redundant supply to a radial load;

B. Necessary to address maintenance, asset condition or safety needs;

C. Necessary to address stability or short circuit problems; or

D. Required to be in service within one year based on the controlling load forecast.

4. Nonwires alternatives recommendations. Based on the investigation under subsection 2, the nonwires alternative coordinator shall make recommendations to the investor-owned transmission and distribution utility regarding nonwires alternatives to proposed small transmission projects and distribution projects. The nonwires alternative coordinator and the utility shall attempt to reach a good faith agreement regarding the adoption of nonwires alternatives that are most cost-effective. If agreement is reached, the utility shall pursue the agreed-upon nonwires alternatives. If there is no agreement, the utility shall petition the commission to resolve the dispute.

5. Dispute resolution. In responding to a petition by an investor-owned transmission and distribution utility pursuant to subsection 4, the commission shall review the planning study prepared under subsection 1 and the recommendations of the nonwires alternative coordinator under subsection 4. In resolving the dispute, the commission shall give preference to nonwires alternatives that are identified as able to address the identified need for the proposed small transmission project or distribution project and are most cost-effective. Of the identified nonwires alternatives, the commission shall give preference to the lowest-cost nonwires alternatives. When the costs to ratepayers in this State of the identified nonwires alternatives are reasonably equal, the commission shall give preference to the nonwires alternatives that produce the lowest amount of local air emissions, including greenhouse gas emissions.

Sec. 14. 35-A MRS §3132-C is enacted to read:

§3132-C. Nonwires alternatives investigation and recommendations

1. Investigation required. The nonwires alternative coordinator shall conduct an investigation of and make recommendations regarding nonwires alternatives to a wires project under section 3132, 3132-A or 3132-B in accordance with this section. The investigation must be conducted in coordination with the Efficiency Maine Trust. For the purposes of this section, "wires project" means a transmission line and associated infrastructure subject to the requirements of section 3132, a transmission project as defined in section 3132-A or a small transmission project or distribution project covered by section 3132-B.

2. Investigation methods; benefit-cost analysis. An investigation under subsection 1 must set forth the total projected costs and annual carrying costs of the wires project and the nonwires alternatives over the effective life of the wires project. The investigation must include a benefit-cost analysis that evaluates the cost-effectiveness of nonwires alternatives as compared to the wires project, under which:

A. Benefits and costs are measured in net present value;

B. Benefits reflect total, quantifiable avoided costs and are calculated from the perspective of the investor-owned transmission and distribution utility and ratepayers, including any deferral value; and

C. Costs are calculated from the perspective of the investor-owned transmission and distribution utility. For a nonwires alternative, costs include the utility's cost of any contracts required to deliver the nonwires alternative but do not include any ratepayer contributions to the cost of the nonwires alternative.

3. Data. An investor-owned transmission and distribution utility shall provide data requested by the Public Advocate or the Efficiency Maine Trust, subject to enforcement by the commission, to allow the nonwires alternative coordinator, in conjunction with the trust, to carry out investigation and analysis under this section. The trust shall use utility ratepayer usage data to identify cost-effective nonwires alternatives on the customer side of the meter. An investor-owned transmission and distribution utility may request a protective order if necessary to protect the confidentiality of data provided under this section in accordance with section 1311-A.

4. Recommendations. On the basis of the investigation under subsection 1, the nonwires alternative coordinator shall develop and provide to the commission or to an investor-owned transmission and distribution utility, as appropriate, recommendations regarding cost-effective nonwires alternatives to the wires project, including a proposed plan for procurement of the recommended nonwires alternatives. The proposed procurement plan must be consistent with the provisions of section 3132-D.

Sec. 15. 35-A MRS §3132-D is enacted to read:

§3132-D. Nonwires alternatives procurement

When the commission determines a nonwires alternative is appropriate under section 3132, 3132-A or 3132-B or an investor-owned transmission and distribution utility agrees voluntarily to a nonwires alternative under section 3132-B, the utility shall procure the nonwires alternative in accordance with this section.

1. Behind the meter alternatives. For a nonwires alternative on the customer side of the meter, the investor-owned transmission and distribution utility shall contract with the Efficiency Maine Trust to deliver the nonwires alternative through the trust's programs.

2. Grid-side alternatives. For a nonwires alternative on the grid side of the meter, the commission shall determine an entity, which may include but is not limited to the investor-owned transmission and distribution utility or a 3rd party, to deliver the nonwires alternative and shall make orders as necessary; except, when a utility voluntarily agrees to a nonwires alternative on the grid side of the meter under section 3132-B, the utility shall determine the entity to deliver the nonwires alternative.

An investor-owned transmission and distribution utility's prudently incurred costs to deliver nonwires alternatives directly or under contract with the Efficiency Maine Trust or a 3rd party are recoverable in rates. For purposes of this section, prudently incurred costs do not include a financial or performance incentive for the utility.

Sec. 16. 35-A MRSA §3143, sub-§1, as enacted by PL 2009, c. 539, §2, is amended to read:

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Smart grid" means the integration of information and communications innovations and infrastructure, including nonwires alternatives, with the electric system to enhance the efficiency, reliability and functioning of the system through smart grid functions.

~~B. "Smart grid coordinator" means an entity, authorized by the commission in accordance with subsection 5, that manages access to smart grid functions and associated infrastructure, technology and applications within the service territory of a transmission and distribution utility.~~

C. "Smart grid functions" means those functions that advance the policy of the United States as specified in the federal Energy Independence and Security Act of 2007, Public Law 110-140, Section 1301, including functions that enable consumers to access information about and to manage and adjust their electricity consumption or to generate and store electricity and functions specified in Section 1306(d) of that Act.

Sec. 17. 35-A MRSA §3143, sub-§2, ¶¶D and E, as enacted by PL 2009, c. 539, §2, are amended to read:

D. The State currently lacks a comprehensive smart grid policy but faces critical decisions regarding the implementation of smart grid functions and associated infrastructure, technology and applications, and the commission and the Legislature will play central roles in making those decisions; ~~and~~

E. It is vital that a smart grid policy be developed in order to ensure that all ratepayers and the State as a whole are afforded the benefits of smart grid functions and associated infrastructure, technology and applications; and

Sec. 18. 35-A MRSA §3143, sub-§2, ¶F is enacted to read:

F. It is in the public interest to establish a nonwires alternative coordinator for the State.

Sec. 19. 35-A MRSA §3143, sub-§5, as enacted by PL 2009, c. 539, §2, is repealed.

Sec. 20. 35-A MRSA §3143, sub-§10, as enacted by PL 2009, c. 539, §2, is amended to read:

10. Consumer education. A If a transmission and distribution utility that or the Efficiency Maine Trust implements smart grid functions, the utility or the trust shall, to the extent the commission determines appropriate, provide information to customers about the purpose and goals of smart grid functions, the ways in which smart grid functions, including but not limited to time-of-use pricing, may involve customer interaction and how the implementation of smart grid functions can benefit customers.

Sec. 21. 35-A MRSA §10104, sub-§4, ¶G is enacted to read:

G. In developing the triennial plan, or an annual update plan under subsection 6, the trust may include, as part of its budget for electric efficiency and conservation programs under section 10110, the costs of providing nonwires alternatives in accordance with section 3132-D.

Sec. 22. 35-A MRSA §10104, sub-§9, as amended by PL 2017, c. 110, §34, is further amended to read:

9. Coordination with other entities. Consistent with the requirements of this chapter and other applicable laws, the board shall coordinate with the activities and programs of state agencies and authorities that relate to the purposes of this chapter in order to align such activities and programs with the plans and programs of the trust. For purposes of this subsection, activities and programs of state agencies and authorities that relate to the purposes of this chapter include but are not limited to energy efficiency programs relating to state facilities administered by the Department of Administrative and Financial Services, Bureau of General Services, the adoption, amendment and maintenance of the Maine Uniform Building and Energy Code by the Technical Building Codes and Standards Board, established in Title 5, section 12004-G, subsection 5-A within the Department of Public Safety, energy efficiency or green energy workforce development activities of the Department of Labor or the State Workforce Board ~~and~~, energy efficiency and weatherization programs administered by the Maine State Housing

Authority and the activities of the nonwires alternative coordinator established pursuant to section 1701, subsection 2-A.

Sec. 23. Appropriations and allocations. The following appropriations and allocations are made.

EXECUTIVE DEPARTMENT

Public Advocate 0410

Initiative: Provides allocations for the contracted services of a person or entity to serve as a nonwires alternative coordinator.

OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
All Other	\$800,000	\$800,000
OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$800,000</u>	<u>\$800,000</u>

Public Advocate 0410

Initiative: Provides allocations for an increase in the salary range of the Special Assistant to the Public Advocate from range 20 to range 25.

OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
Personal Services	\$3,039	\$4,052
OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$3,039</u>	<u>\$4,052</u>

**EXECUTIVE DEPARTMENT
DEPARTMENT TOTALS**

	2019-20	2020-21
OTHER SPECIAL REVENUE FUNDS	\$803,039	\$804,052
DEPARTMENT TOTAL - ALL FUNDS	<u>\$803,039</u>	<u>\$804,052</u>



JANET T. MILLS
GOVERNOR

STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0001

DAN BURGESS
DIRECTOR OF GOVERNOR'S
ENERGY OFFICE

TESTIMONY OF DAN BURGESS, DIRECTOR, GOVERNOR'S ENERGY OFFICE

Before the Joint Standing Committees on Appropriations and Financial Affairs and the Joint Standing Committee on Energy, Utilities and Technology

"An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2021, June 30, 2022 and June 30, 2023"

February 24, 2021

Good morning Senator Breen, Representative Pierce, and members of the Joint Standing Committee on Appropriations and Financial Affairs; Senator Lawrence, Representative Berry and members of the Joint Standing Committee on Energy, Utilities and Technology.

My name is Dan Burgess, and I am the Director of the Governor's Energy Office (GEO). I am here today to testify in support of the fiscal year 2022-2023 biennial budget bill, LD221, specifically those items on today's agenda for the GEO.

As Governor Mills said, at a time when Maine people are hurting, when small businesses are struggling to keep their doors open, when the ranks of the unemployed have swelled, and when we are fighting a deadly virus all around us, we are proposing balanced budgets as required by the Constitution that continue efficiencies, good fiscal management and curtailments to cover projected revenue shortfalls for all three fiscal years. They focus on combatting the COVID-19 pandemic by continuing to rebuild the State's public health infrastructure and protecting essential health care, education, and life-saving services. They do not change Maine tax rates and they maintain the Budget Stabilization Fund. With a future made unpredictable due to the ongoing pandemic, these budgets make good on the promise of government, which is to protect and support the wellbeing of our people and institutions.

The GEO section can be found on page A-200 of the budget bill. The program contains a General Fund appropriation of \$300,000 in each year, a Federal

Expenditures Fund allocation of \$2,217,660 in FY22 and \$2,338,159 in FY23 and an Other Special Revenue Fund allocation of \$258,343 in FY22 and \$259,064 in FY23. There are 2 headcount in the Federal Expenditures Fund and 1 headcount in the Other Special Revenue Fund. The GEO is currently made up of six employees in total, including myself, the three headcount identified here and three limited period positions one of which we will cover in the Office's only initiative.

The GEO strives to advance a clean energy future that is affordable and reliable for the residents and businesses of Maine. The GEO is the designated state energy office and is responsible for planning and coordinating state energy policy and serves as the primary energy policy advisor to the Governor. The GEO completes this work with significant engagement among other state agencies, as well as the legislature, industry, universities and other private and nonprofit sectors. This work also includes coordinating across New England on all energy issues. Energy policy is changing quickly, and the GEO works on policies that include renewable energy, energy efficiency, electric vehicles, energy storage, home heating and many others.

The office is supported primarily through the U.S. Department of Energy's State Energy Program (SEP). The GEO manages a small State Heating Oil and Propane Price Program grant, receives some limited funding from Efficiency Maine Trust, has some funding from the U.S. Economic Development Agency and the U.S. Climate Alliance, and is in the process of closing out two U.S. DOE competitive grants dedicated to specific projects.

The initiative in the program continues one Public Service Coordinator II position as a limited period position and transfers funding from All Other to Personal Services to support this position. The position serves an analyst and advisor to the Director of the GEO. The analyst is a key member of the GEO and will provide support and analysis of data on a wide variety of energy topics. There are two other grant funded limited period positions in the GEO which do not need to be extended in this document.

Thank you and I am pleased to answer any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dan Burgess".

Dan Burgess

**Testimony of Kirsten LC Figueroa, Commissioner
Department of Administrative and Financial Services**

**Before the Joint Standing Committees on
Appropriations and Financial Affairs and
Energy, Utilities and Technology**

**“An Act Making Unified Appropriations and Allocations for the Expenditures of
State Government, General Fund and Other Funds and Changing Certain
Provisions of the Law Necessary to the Proper Operations of State Government for
the Fiscal Years Ending June 30, 2021, June 30, 2022 and June 30, 2023”**

February 24, 2021

Good morning Senator Breen, Representative Pierce, and members of the Joint Standing Committee on Appropriations and Financial Affairs; Senator Lawrence, Representative Berry and members of the Joint Standing Committee on Energy, Utilities and Technology. My name is Kirsten Figueroa, and I am the Commissioner of the Department of Administrative and Financial Services. I am here today to testify in support of the fiscal year 2022-2023 biennial budget bill, LD 221, specifically those items on today’s agenda for the Telecommunications Relay Services Council Fund.

Telecommunications Relay Services Council Fund

The **Telecommunications Relay Services Council Fund** is on page A-476. The Council is tasked with administering the Telecommunications Relay Service (TRS) program within the state. TRS is a program where individuals call a single number, 7-1-1, which connects them to the TRS provider for the state who acts as a translator between hearing individuals and deaf or hard of hearing individuals to permit telephonic communications among all users of the public switched telephone network. The primary benefit of the system is that it does not require both parties on the call to have assistive devices.

The Council prepares an annual budget to cover the costs of the telecommunications relay services vendor and adaptive equipment as well as communication and pilot efforts meant to promote and increase the use of TRS. Funds are transferred from the Universal Service Fund to this fund for this state and federally mandated service.

The budget and funds transferred may not exceed \$600,000 per year, which ties to the allocation you see on page A-476.

There are no new initiatives in this program.

This concludes my testimony. I am happy to take questions for the work session.



**Testimony of the Island Institute In Support of Funding for the ConnectMaine
Authority as part of LD 221
February 24th, 2021**

Senator Breen, Representative Pierce, and members of the Appropriations and Financial Affairs Committee, my name is Nick Battista, and I am offering this testimony on behalf of the Island Institute in support of funding for the ConnectMaine Authority.

The Island Institute is a 37-year-old nonprofit organization, based in Rockland, Maine. We work to sustain Maine's island and coastal communities and are committed to a just, resilient, and vibrant future for the coast of Maine. We work in partnership with courageous leaders to support resilient communities and to confront a changing world.

The Island Institute's community development work focuses on - the marine economy, climate and energy pilots, small business, education and leadership. Broadband is foundational to all of this work and all Mainers need to have the ability to use high speed reliable internet. Since 2015, the Island Institute has supported 81 coastal and island communities, as well as several communities further inland as we know the solution to broadband hinges on a statewide effort. We have a community-driven broadband planning process and guide and we provide planning grants and capacity assistance to communities in our areas.

The Island Institute participates in state broadband discussions multiple ways - including being part of the Maine broadband coalition and also through my appointment as Chair of the ConnectMaine Authority Board.

Broadband is place-based infrastructure, it is built street by street, utility pole by utility pole. Your neighbor two streets over might have better service than you do, your neighbor 10 houses down the road might have worse service. Your ability to have a good internet connect depends on a company seeing the business case for making a capital investment or being willing to receive some sort of subsidy. For a company to invest capital, they have to get some sort of reasonable return on it.

Seventy-five percent of Maine's coastal communities have fewer than 3000 people. Twenty-five percent of coastal communities have fewer than 800 people. Rural Maine, particularly outside of town centers, does not have the population density to support significant private investment in broadband infrastructure. While Maine does have great internet service providers who have expanded their networks and built infrastructure in rural parts of the state, it is not reasonable to expect these private businesses alone to make the kinds of investments needed to move the state forward in a significant way.

Further, broadband is not a regulated utility – it is not like electricity or phone service where a monopoly is granted to a company with the understanding that in exchange for that monopoly, everybody in the area needs to be served. With broadband, nobody has to provide you with service.

Many communities are taking it upon themselves to understand the broadband challenges they face and how they could work to solve them. Some communities do this work on their own, some communities come together like Franklin county to do this work as a group. Community planning serves a couple of functions – best to think of it as the sticky tape for attracting private investment as well as laying the groundwork for municipal or other subsidies.

The rural character of communities isn't something that we can easily change to make a broadband investment more attractive but through community planning, you can start to shift the underlying economics of a broadband project by changing the number of people who take service and by reducing the private capital outlay necessary to build a project.

It shouldn't be up to communities and providers alone to solve the state's broadband challenges and this is where ConnectMaine comes in to support various forms of public-private partnerships that allow for connectivity to expand beyond what the market would otherwise serve.

Supporting the development of these partnerships takes resources. Supporting the building of these projects takes even more resources. ConnectMaine provides grants to reduce the capital outlay only for broadband projects being built in parts of the state with worse internet than I had growing up in Falmouth in the late 90s.

Last summer the \$15M broadband bond showed how critical broadband is to all Mainers with 75% of voters, or over 230,000 Mainers, saying yes to better internet. This was a good first step but connecting the 83,000 or more still-unserved households requires a more significant state investment as well as additional capital from the private sector, municipalities and the philanthropic community.

It also requires continued investment in the ConnectMaine Authority to help support communities going through the planning process and to help foster effective public-private partnerships that allow limited state funds to be stretched further.

As you well know, high speed internet is extremely important to daily life. The pandemic highlights how important broadband is to helping people work remotely, making sure students can attend schools, keeping people connected with their families, and assuring that government can continue to function.

I urge you to support both the proposed funding and corrected language for the ConnectMaine Authority.

Shorey, Mandy

From: no-reply@legislature.maine.gov
Sent: Wednesday, February 24, 2021 9:02 AM
To: AFA; Legislature: Committee on Appropriations and Financial Affairs; Krawec, Mark
Subject: LD 221: AFA 2/24/2021 Testimony from Stephen Von Vogt

Testimony for the Appropriations and Financial Affairs public hearing on 2/24/2021 has been submitted by Stephen Von Vogt of Maine Economic Growth Council (svonvogt@mainemarinecomposites.com).

The bills concerned are:

- LD 221 - An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2021, June 30, 2022 and June 30, 2023

You may view the testimony document here:

<https://www.mainelegislature.org/testimony/Resources/AFA20210224Von%20Vogt132586489438436767.pdf>

Do not reply to this automatically generated message. To contact the sender, send your message to svonvogt@mainemarinecomposites.com

Testimony in Support of the Maine Economic Growth Council Budget

To: JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

Senator Catherine Breen, Senate Chair
Representative Teresa Pierce, House Chair

From: Stephen Von Vogt, Co- Chair, Maine Economic Growth Council

Senator Breen, Representative Pierce and members of the Joint Standing Committee on Appropriations and Financial Affairs:

My name is Stephen Von Vogt and I reside in Portland Maine. I am the president of Maine Marine Composites, an ocean engineering firm in Portland Maine as well as a principal in several companies involved in energy development and the reuse of shuttered industrial facilities in Maine for new purposes and uses. In my professional career, I have been involved on the ground in efforts to develop and redevelop the economy in Maine. I have also been one of the longest serving non-legislative member of the Maine Economic Growth Council.

I want to support the budget appropriation for Economic Growth Council budget of \$55,395 per year listed on page A-144 of the full budget bill.

To know where you are going, you must know where you are today and where you have come from. The report is a valuable guide to policymakers at all levels, helping them to focus their efforts and understand the connections between and among the major issues affecting the economy and the well-being of Maine people. The indicators included give context to Maine's long-term performance by comparing to U.S., New England, and EPSCoR averages

Overall, the long-term insights provided by the Measures of Growth are still invaluable because the extreme short-term economic and public health impacts of the 2020 recession and pandemic magnify the importance Maine's workforce, innovation, connectivity and show the impacts of both our longstanding strengths and our most notable challenges on shaping the recession and our path forward. The report adds critical detail about the short-term economic and health-driven impacts to frame our long-term trends.

The report is produced and staffed by the Maine Development Foundation and is compiled by an incredible group of non-partisan individuals comprised of representatives of many sectors of the Maine economy, Maine's academic institutions, both houses and parties of the legislature, economic development, trade groups and experts. It provides consistent and invaluable benchmarks by which policy makers and guide and steer the economic future of the state. It tells us where we are, where we have been and where we hope to go. It is an incredible value delivered by volunteers in the interest of the economy of the State of Maine. It is consistent and well produced under the guidance of the Maine Development Foundation.

I urge you to continue this fine work and support the budget appropriation.

Thank you.



Testimony to the Committee on Appropriations and Financial Affairs
in support of

LD 221, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2021, June 30, 2022 and June 30, 2023 - Sec. AA-1. 35-A MRSA §9211 – Extension of 10-Cent Surcharge for ConnectMaine Fund

24 February 2021
Amy Winston, State Policy Director
CEI, Brunswick, Maine
Amy.Winston@ceimaine.org

Senator Breen, Representative Pierce, and Distinguished Members of the Taxation Committee:

My name is Amy Winston and I am the State Policy Director at Coastal Enterprises, Inc (CEI). I reside in Edgecomb and am testifying today on behalf of CEI in support of LD."

CEI is a 43-year-old Community Development Financial Institution (CDFI) with a mission of supporting good jobs, environmentally sustainable enterprises, and shared prosperity in Maine. We provide business advice and financing to approximately 2,000 entrepreneurs in Maine annually (3,000 in 2020), specializing in financing for small businesses, natural resource-based industries, and downtown community revitalization projects. As a founding member of the Maine Broadband Coalition, CEI strongly supports Sec. AA-1. 35-A MRSA §9211 in LD 221. *Here's why.*

This bill assures a steady source of funding for the ConnectMaine Authority by extending the surcharge of 10¢ imposed on January 1, 2020, for all communications service providers to collect per month on each line or number they serve. The revenue is dedicated for the ConnectMaine Fund.

All of us have seen the critical importance of broadband since the Covid-19 pandemic hit last year. The opportunity for many of us to function through telework, telehealth, and remote learning has been a lifeline and will likely remain in some form after the pandemic. It is hard to imagine what would have happened without it. And we know many communities and individuals in Maine, especially rural communities, still cannot access to reliable, affordable high-speed broadband because the infrastructure is not there and/or it is unaffordable.

Reliable, affordable broadband will become even more important after the pandemic is over. Our economy, including our public services, is increasingly becoming digitalized, requiring much higher broadband capacity. Broadband is not just desirable; it is an essential utility for all of Maine.

The surcharge is ConnectMaine's current revenue mechanism. ConnectMaine is the state's vehicle for broadband development. It needs a broad base of providers to pay the surcharge on each line or number that they serve in order for ConnectMaine to meet the growing demand for more and better broadband. This is equitable. Most people no longer have land lines and are relying on other types of communication that should pay their fair share for broadband. Much more funding is needed, but the surcharge is what the agency has now



and what it must rely on for core funding. From that base it can work to leverage much more state, federal and private investment to build out robust broadband infrastructure throughout the state.

We encourage the committee to pass LD 221 and fund the budget. A dedicated funding stream for ConnectMaine to invest in broadband, particularly in underserved communities, is essential for all of Maine and for Maine's economy in the 21st century.

Thank you for this opportunity to submit testimony on this important budget item.

Testimony of
Telecommunications Association of Maine (TAM), Charter Communications and Comcast
LD 221, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2021, June 30, 2022 and June 30, 2023
February 24, 2021

Senator Breen, Senator Lawrence, Representative Pierce, Representative Berry and members of the Joint Standing Committees on Appropriations and Financial Affairs and Energy, Utilities and Technology. We are writing in support of LD221 Part AA on behalf of the Telecommunications Association of Maine, Charter Communications and Comcast.

High speed internet is critical to our daily lives – now more than ever. While 95% of Mainers have access to a minimum broadband speed of 25x3 Mbps there is still work to be done whether that is through extending services for people to get access to the Internet and supporting residents to help them get access through a federal or state subsidy program.

Part AA of the proposed biennial budget clarifies that the Connect Maine 10 cent surcharge applies to all entities that pay into the E911 fund, including wireless providers. The Part AA proposal also provides an opportunity to further simplify and streamline customer bills by transitioning the separate .25% fee into a flat fee applicable to ALL providers. This flat fee will accomplish the following:

- Simplifies fees on consumer bills; single surcharge that applies to all providers
- Provides more consistency for budgeting (flat fee rather than a percentage)
- Simplifies reporting
- Provides parity among providers and is competitively neutral

Consumers use of wired and wireless technologies is quickly evolving, the lines between wireless and wireline are irrelevant to customers, who just wish to connect to the Internet. Indeed, wireless providers are integral partners in the broadband environment. In comments to the FCC made on February 16, 2021, the Wireless Industry representatives, led by CTIA, requested direct payments from the E-Rate program to enable wireless providers to offer broadband service to students.¹ When the initial Connect ME Surcharge was established in 2005, wireless providers argued that they did not wish to receive public dollars to support their internet service offerings, which were limited at the time. Accordingly they argued a wireless provider should only be part of the program if they voluntarily chose to participate so they could receive support to provide internet service. The wireless industry is seeking public dollars to provide internet service in Maine. The arguments from 15 years ago about wireless providers not being data providers is simply no longer true. To support broadband in Maine everyone involved in the provision of broadband connections must contribute in a competitively neutral manner. We believe this fee should come from general revenues and not surcharges on customers however if there is a fee it should be a flat fee with the same amount applicable to all.

We look forward to working with the Committees and the Governor's office on this proposal.

¹ *Wireline Competition Bureau Seeks Comment on Petitions for Emergency Relief to Allow the Use of E-rate Funds to Support Remote Learning During the COVID-19 Pandemic*, WC Docket No. 21-31, Comments of CTIA dated February 16, 2021.

Toby McGrath
Charter Communications

Submitted on the behalf of Telecommunications Association of Maine; Charter
Communications and Comcast.