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Date: (Filing No. S-)

ENERGY, UTILITIES AND TECHNOLOGY

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**STATE OF MAINE
SENATE
132ND LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 694, L.D. 1792, “An Act Regarding the Energy Policy of the State”

Amend the bill by striking out the title and substituting the following:

'An Act to Ensure Fair and Equitable Recovery of Post-restructuring Stranded Costs'

Amend the bill by inserting after the title and before the enacting clause the following:

'Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, electricity costs are negatively impacting many Maine electricity consumers; and

Whereas, the costs associated with the State's net energy billing programs are having a disproportionate impact on businesses in the State that are vital to economic growth; and

Whereas, the rate design adopted by the Public Utilities Commission by order dated April 30, 2025 will not provide sufficient relief for Maine's large and industrial customers; and

Whereas, it is the policy of the State that the commission advance through its decisions and orders beneficial electrification in order to achieve the emission reduction and renewable energy goals of the State, reduce energy costs to consumers and provide economic and climate benefits for all ratepayers pursuant to the Beneficial Electrification Policy Act, enacted June 26, 2023; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,'

Amend the bill by striking out everything after the enacting clause and inserting the following:

COMMITTEE AMENDMENT

1 **Sec. 1. 35-A MRSA §3209, sub-§1-A** is enacted to read:

2 **1-A. Definitions.** As used in this section, unless the context otherwise indicates, the
3 following terms have the following meanings.

4 A. "Beneficial electrification" has the same meaning as in section 10102, subsection
5 3-A.

6 B. "Intermediate commercial customer" means a nonresidential customer that meets
7 the availability criteria to take service under a core customer class of a transmission
8 and distribution utility that includes a demand charge and that is not classified as a
9 medium commercial customer or a large commercial customer.

10 C. "Large commercial customer" means a nonresidential customer that meets the
11 availability criteria to take service under a core customer class of a transmission and
12 distribution utility in which a customer takes electrical service from the utility at a
13 subtransmission or transmission voltage or in which a customer has a maximum
14 demand of at least 400 kilowatts as defined under the terms and conditions of the
15 transmission and distribution utility.

16 D. "Lighting customer" means a nonresidential customer whose account for electricity
17 service is limited to street or area lighting.

18 E. "Medium commercial customer" has the same meaning as in section 3106,
19 subsection 1, paragraph B.

20 F. "Post-restructuring stranded costs" means costs allocated to a transmission and
21 distribution utility pursuant to section 3209-C, subsection 2, paragraph B and pursuant
22 to section 3210-F, subsection 3.

23 G. "Residential customer" has the same meaning as in section 3106, subsection 1,
24 paragraph C.

25 H. "Small commercial customer" has the same meaning as in section 3106, subsection
26 1, paragraph D.

27 **Sec. 2. 35-A MRSA §3209, sub-§5** is enacted to read:

28 **5. Post-restructuring stranded costs.** No later than October 1, 2025, each investor-
29 owned transmission and distribution utility shall recover post-restructuring stranded costs
30 in accordance with the rate design established by the commission in accordance with this
31 subsection. For investor-owned transmission and distribution utility rates applicable prior
32 to July 1, 2028, the commission shall establish a rate design for each investor-owned
33 transmission and distribution utility in the State for the recovery of post-restructuring
34 stranded costs that:

35 A. Aggregates the customers of investor-owned transmission and distribution utilities
36 in the State on a statewide basis into groups of large commercial customers, medium
37 commercial customers, intermediate commercial customers, small commercial
38 customers, lighting customers and residential customers;

39 B. Notwithstanding section 3209-C, subsection 2, paragraph B and section 3210-F,
40 subsection 3, allocates the combined post-restructuring stranded costs, as determined
41 by the commission, for investor-owned transmission and distribution utilities in the
42 State to each customer class group described in paragraph A, based on each group's pro

1 rata share of statewide post-restructuring stranded costs based on total retail kilowatt-
2 hour energy sales to those customers;

3 C. For any rate design established by the commission to apply after September 30, 2025
4 and before July 1, 2028, increases the cost allocation to residential customers, small
5 commercial customers and medium commercial customer groups as calculated in
6 accordance with paragraph B by 10% and reduces the cost allocation to the large
7 commercial customer class group by an equal dollar amount; and

8 D. Requires each investor-owned transmission and distribution utility, prior to October
9 1, 2025, to calculate its post-restructuring stranded cost rates, including any annual
10 reconciliation of costs, by applying a rate design that:

11 (1) For residential customers and small commercial customers, is recovered 100%
12 through a fixed monthly charge;

13 (2) For medium commercial customers, is recovered 50% through a fixed monthly
14 charge and 50% through a volumetric per kilowatt-hour charge;

15 (3) For intermediate commercial customers and large commercial customers, is
16 recovered 85% through a fixed monthly charge and 15% through a volumetric per
17 kilowatt-hour charge; and

18 (4) For lighting customers, is recovered 100% through a volumetric per kilowatt-
19 hour charge.

20 **Sec. 3. 35-A MRSA §3209, sub-§6** is enacted to read:

21 **6. Post-restructuring stranded cost allocation; rate design.** For post-restructuring
22 stranded cost allocations and rate designs applicable on or after July 1, 2028, the
23 commission shall by order establish such cost allocations and rate designs applicable for
24 the following 3-year period, subject to annual and other necessary reconciliations, and
25 ensure the promotion of beneficial electrification in every customer class.

26 **Emergency clause.** In view of the emergency cited in the preamble, this legislation
27 takes effect when approved.'

28 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
29 number to read consecutively.

30 **SUMMARY**

31 This amendment, which is the majority report of the committee, replaces the bill, which
32 is a concept draft, changes the title and adds an emergency preamble and emergency clause.
33 It requires the Public Utilities Commission, no later than October 1, 2025, to establish a
34 rate design for each investor-owned transmission and distribution utility for the recovery
35 of post-restructuring stranded costs that aggregates certain classes of customers of the
36 investor-owned transmission and distribution utilities and requires that post-restructuring
37 stranded costs be recovered from these class groups based on specific charges. It requires
38 the commission, for post-restructuring stranded cost allocations and rate designs applicable
39 on or after July 1, 2028, to establish such cost allocations and rate designs applicable for

COMMITTEE AMENDMENT “ ” to S.P. 694, L.D. 1792

1 the following 3-year period subject to annual and other necessary reconciliations and
2 ensure the promotion of beneficial electrification for every customer class.

3

FISCAL NOTE REQUIRED

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(See attached)