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ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE
SENATE
128TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " " to S.P. 529, L.D. 1504, Bill, "An Act Regarding Solar Power for Farms and Businesses"

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

'An Act To Replace Net Energy Billing with a Market-based Mechanism'

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

'Sec. 1. 35-A MRSA §3209-A, as enacted by PL 2011, c. 262, §1, is repealed and the following enacted in its place:

§3209-A. Net energy billing

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

A. "Eligible customer" means a person or an entity that takes electricity service through a transmission and distribution utility and that owns or has an interest in an eligible facility located in that transmission and distribution utility's service territory.

B. "Eligible facility" means an electric generating facility that meets eligibility requirements established by the commission by rule.

C. "Gross output" means all of the energy generated by an eligible facility during an applicable period, including all energy that is used to offset the usage of eligible customers.

D. "Net energy" means the difference between the kilowatt-hours delivered by the transmission and distribution utility to an eligible customer over a billing period and the kilowatt-hours exported by the customer from an eligible facility to the transmission and distribution system over the same billing period.

E. "Net energy billing" means a billing and metering practice under which customers are billed on the basis of net energy.

COMMITTEE AMENDMENT

1 F. "Shared interest" means an interest in an eligible facility shared by multiple
2 eligible customers that have distinct billing accounts with a transmission and
3 distribution utility.

4 G. "Transmission and distribution bill" means an eligible customer's bill, over a
5 billing period, for transmission and distribution utility service.

6 **2. Net energy billing.** A person that is an eligible customer as of December 31, 2017
7 may elect net energy billing for the customer's accounts or meters in accordance with the
8 following.

9 A. An eligible customer whose eligible facility is placed in service by December 31,
10 2017 must be allowed to use net energy billing until December 31, 2032.

11 B. A transmission and distribution utility may not require an eligible customer to
12 meter the gross output of an eligible facility in order to participate in net energy
13 billing.

14 C. The number of eligible customers that participate in a single shared interest in an
15 eligible facility or the number of meters associated with a single shared interest in an
16 eligible facility may not exceed 50, except that the number of eligible customers or
17 meters is limited to 10 for a shared interest in an eligible facility located in the service
18 territory of a transmission and distribution utility located in an area administered by
19 the independent system administrator for northern Maine or any successor of the
20 independent system administrator for northern Maine unless the commission
21 determines that the utility's billing system can accommodate more than 10 accounts
22 or meters for the purpose of net energy billing.

23 D. No new net energy billing arrangements may be entered into after December 31,
24 2017.

25 **3. Rules.** The commission may adopt or amend rules governing net energy billing to
26 implement this section. Rules adopted or amended under this section are routine technical
27 rules as defined in Title 5, chapter 375, subchapter 2-A.

28 **Sec. 2. 35-A MRSA §3209-B** is enacted to read:

29 **§3209-B. Market-based crediting system**

30 The commission shall adopt rules in accordance with this section to create a market-
31 based crediting system for energy generated by an eligible facility.

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

34 A. "Eligible customer" means a person or an entity that takes electricity service
35 through a transmission and distribution utility and that owns or has an interest in an
36 eligible facility located in that transmission and distribution utility's service territory.

37 B. "Eligible facility" means an electric generating facility, regardless of capacity,
38 that meets noncapacity-related eligibility requirements established by the commission
39 by rule.

1 C. "Gross output" means all of the energy generated by an eligible facility during an
2 applicable period, including all energy that is used to offset the usage of eligible
3 customers.

4 D. "Shared interest" means an interest in an eligible facility shared by multiple
5 eligible customers that have distinct billing accounts with a transmission and
6 distribution utility.

7 **2. Calculation of rates.** In accordance with rules adopted pursuant to this section,
8 an eligible customer must receive a monetary credit for energy generated by an eligible
9 facility in excess of the customer's usage and exported to the grid at the real-time
10 wholesale market price of that energy, including the renewable energy credit value of the
11 energy and capacity value, if such value can be monetized. The commission shall
12 designate an entity located within each transmission and distribution service territory to
13 purchase any electricity available from any eligible facility. The transmission and
14 distribution utility serving the eligible customer shall administer the transaction between
15 the eligible customer and the entity that purchases the electricity and shall aggregate and
16 sell any renewable energy credits on behalf of the eligible customer.

17 A negative wholesale electricity price may not be used to calculate a bill credit under this
18 section.

19 **3. Prohibition on gross output.** A transmission and distribution utility may not
20 require a customer to meter the gross output of an eligible facility in order to participate
21 in the crediting system under this section.

22 **4. Limit on accounts.** The number of eligible customers that participate in a single
23 shared interest in an eligible facility or the number of meters associated with a single
24 shared interest in an eligible facility may not exceed 50.

25 **5. Exemption.** This section does not apply to a transmission and distribution utility
26 located in an area administered by the independent system administrator for northern
27 Maine or any successor of the independent system administrator for northern Maine until
28 such time as the commission determines the utility's billing system can perform the
29 necessary functions to implement this section. The commission, as part of its rulemaking
30 to implement this section, shall consider whether an alternative system could reasonably
31 be developed for northern Maine in the interim period before the utility's billing system is
32 modified to allow a market-based crediting system.

33 **6. Rules.** Rules adopted or amended pursuant to this section are routine technical
34 rules as defined in Title 5, chapter 375, subchapter 2-A.

35 **Sec. 3. Community solar procurement.** The Public Utilities Commission shall
36 procure, to the maximum extent possible, 20 megawatts of large-scale community solar
37 distributed generation resources in accordance with the Maine Revised Statutes, Title
38 35-A, section 3210-C by December 31, 2018. The long-term contract rate must be
39 calculated annually, and no long-term contract entered into under this section may be for
40 more than 6¢ per kilowatt-hour or the average wholesale electricity rate over the
41 preceding 12 months, whichever is less. For purposes of this section, "large-scale
42 community solar distributed generation resource" means a solar distributed generation
43 resource with a nameplate capacity of greater than 660 kilowatts.

1 commission to consider whether an alternative system to the crediting system for northern
2 Maine could be developed and utilized in the interim period before the utility's billing
3 system is modified to allow a market-based crediting system.

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

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

14 **FISCAL NOTE REQUIRED**

15 **(See attached)**