

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-THREE

—
S.P. 688 - L.D. 1724

An Act to Enact the Beneficial Electrification Policy Act

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

Sec. 1. 35-A MRSA c. 38 is enacted to read:

CHAPTER 38

BENEFICIAL ELECTRIFICATION POLICY ACT

§3801. Short title

This chapter may be known and cited as "the Beneficial Electrification Policy Act."

§3802. Definitions

For the purposes of this chapter, unless the context otherwise indicates, the following terms have the following meanings.

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

2. Office. "Office" means the Governor's Energy Office.

3. Renewable resource. "Renewable resource" has the same meaning as in section 3210, subsection 2, paragraph C.

4. Trust. "Trust" means the Efficiency Maine Trust.

§3803. Support for policy of beneficial electrification

1. Petition for renewable resources procurement. The office may petition the commission to procure energy from renewable resources to achieve the emission reduction and renewable energy goals of the State and to meet reasonably expected growth in electric demand.

A. In developing a petition for procurement of energy from renewable resources, the office shall consult with relevant departments and agencies.

B. The commission shall evaluate a petition submitted by the office in accordance with section 3804 and may through a competitive procurement process established by the commission by rule procure energy from one or more renewable resources. The commission may direct a transmission and distribution utility to enter into a long-term contract for the energy procured. Rules adopted to implement this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

2. Plan for promoting beneficial electrification for end uses of energy. The trust shall develop a 3-year beneficial electrification plan for end uses of energy as part of the trust's triennial plan in accordance with section 10104, subsection 4 and provide annual updates to the plan in accordance with section 10104, subsection 6. In developing its beneficial electrification plan for end uses, the trust shall consult with relevant departments and agencies.

3. Funding and reporting. Notwithstanding sections 116 and 117, at the request of the office, the commission may transfer money from funds in the Public Utilities Commission Regulatory Fund or the Public Utilities Commission Reimbursement Fund to the office to pay for the costs associated with a petition for a procurement of energy from renewable resources under subsection 1 and, at the request of the trust, to the trust to implement the 3-year beneficial electrification plan included in the triennial plan under subsection 2. At the end of any year in which the commission has transferred money under this subsection to the office or the trust, the office or the trust, respectively, shall provide a report to the commission detailing its fund requests, money received and expenditures.

4. Monitoring beneficial electrification trends and opportunities. To the extent possible through readily available information, the office, the commission and the trust shall coordinate to monitor:

A. All beneficial electrification activity in the State and the effect of the commission's actions under section 3804;

B. Trends in beneficial electrification in the State and in other jurisdictions; and

C. The estimated costs and benefits for ratepayers of beneficial electrification programs occurring as a result of this chapter and other programs that have been implemented in the State.

§3804. Commission advancement of clean energy and beneficial electrification

The commission shall 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. The commission shall seek to procure energy under section 3803, subsection 1, paragraph B in a manner that is consistent with beneficial electrification. To the extent practicable, the commission shall seek to ensure that the acquisition of energy from renewable resources under section 3803, subsection 1, paragraph B is designed to procure sufficient energy to meet the portfolio requirements under section 3210 for the reasonably expected increase in use of electricity by retail electricity consumers.

§3805. Reporting

1. Commission report. The commission shall include in its annual report under section 120, subsection 7 a summary of its activities in accordance with this chapter.

2. Office report. The office shall include in its annual report under Title 2, section 9, subsection 3, paragraph C-1 a summary of its activities in accordance with this chapter.

3. Trust report. The trust shall include in its annual report under section 10104, subsection 5 a summary of its activities in accordance with this chapter.

Sec. 2. 35-A MRSA §10102, sub-§3-A, as enacted by PL 2019, c. 365, §1, is amended to read:

3-A. Beneficial electrification. "Beneficial electrification" means electrification of a technology or process that results in reduction in the use of a fossil fuel, including electrification of a technology or process that would otherwise require energy from a fossil fuel, and that provides a benefit to a utility, a ratepayer or the environment, without causing harm to utilities, ratepayers or the environment, by improving the efficiency of the electricity grid or reducing consumer costs or emissions, including carbon emissions.

Sec. 3. 35-A MRSA §10104, sub-§2, ¶C, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

C. The efficiency with which programs are planned, designed, overseen and delivered is maximized; ~~and~~

Sec. 4. 35-A MRSA §10104, sub-§2, ¶D, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

D. Sufficient checks and balances are provided to ensure consistency with public policy and accountability for meeting the principles set out in paragraphs A to C ~~and E~~ so that energy efficiency programs in the State are sustainable for the long term; and

Sec. 5. 35-A MRSA §10104, sub-§2, ¶E is enacted to read:

E. Programs are planned and implemented to advance the policy of beneficial electrification as described in chapter 38.

Sec. 6. 35-A MRSA §10110, sub-§4-A, ¶B, as amended by PL 2019, c. 313, §8, is further amended by amending the first blocked paragraph to read:

The trust shall use, and the commission shall give deference to, values for each element of avoided energy cost from a regional avoided energy supply cost study as long as the analysis has been developed through a transparent process, with input from state agencies, public advocates, utilities or energy efficiency administrators from at least 3 other states in New England and the analysis has been published not more than 24 months prior to the trust's filing of the plan. When values specific to the State are not available in the regional study, the trust may use, and the commission shall give deference to, regional values provided in that regional study or values determined from other sources when supported by evidence in the record; ~~and~~

Sec. 7. 35-A MRSA §10110, sub-§4-A, ¶C, as enacted by PL 2013, c. 369, Pt. A, §20 and affected by §30, is amended to read:

C. Maximize total electricity savings for all ratepayers; and

Sec. 8. 35-A MRSA §10110, sub-§4-A, ¶D is enacted to read:

D. Include all beneficial electrification measures that are cost-effective and reliably reduce electricity rates over the life of the measures. In determining whether a measure

is cost-effective, the commission shall account for all net energy costs, including savings from avoided heating, transportation or industrial process fuels displaced by the measure.

Sec. 9. Study; report required. The Public Utilities Commission shall conduct a study on how to cost-effectively provide consumer financing of beneficial electrification products, including products for energy efficiency, home or business energy storage, electric vehicle charging equipment and other distributed energy products through methods including, but not limited to, on-bill financing by standard-offer service providers or competitive electricity providers, or through some combination thereof. The study must provide analysis of the relative advantages and disadvantages of each financing method considered by the commission compared to existing and planned offerings of other finance initiatives in the State, including but not limited to the offerings of the Efficiency Maine Trust, the Maine State Housing Authority and the Finance Authority of Maine. The study must also review consumer protection provisions used by other jurisdictions that permit on-bill financing. By January 5, 2024, the commission shall submit to the Joint Standing Committee on Energy, Utilities and Technology a report on the study required by this section. The committee may report out a bill during the Second Regular Session of the 131st Legislature concerning the subject matter of the report.

Sec. 10. Appropriations and allocations. The following appropriations and allocations are made.

PUBLIC UTILITIES COMMISSION

Public Utilities - Administrative Division 0184

Initiative: Provides allocations for expenditures related to contracted consulting services.

OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
All Other	\$202,042	\$0
OTHER SPECIAL REVENUE FUNDS TOTAL	\$202,042	\$0