1	L.D. 634
2	Date: (Filing No. S-)
3	ENERGY, UTILITIES AND TECHNOLOGY
4	Reproduced and distributed under the direction of the Secretary of the Senate.
5	STATE OF MAINE
6	SENATE
7	130TH LEGISLATURE
8	SECOND REGULAR SESSION
9 10	COMMITTEE AMENDMENT " " to S.P. 248, L.D. 634, "An Act To Cap the Value of Contracts for Renewable Resources and Distributed Generation Resources"
11	Amend the bill by striking out the title and substituting the following:
12	'An Act To Reduce Volatility in the Net Energy Billing Program'
13 14	Amend the bill by striking out everything after the enacting clause and inserting the following:
15 16	'Sec. 1. 35-A MRSA §3209-A, sub-§7, ¶E, as enacted by PL 2021, c. 390, §1, is amended by amending subparagraph (1) to read:
17 18 19 20 21 22 23 24	(1) The proposed distributed generation resource must reach eommercial operation mechanical completion by the date specified in the net energy billing agreement or by the date specified with an allowable modification to that agreement. For the purposes of this subparagraph, "mechanical completion" means that all mechanical and physical aspects of a distributed generation resource have been constructed and installed in accordance with design specifications such that the resource may commence commercial operation upon receipt of permission to operate from the utility.
25 26	Sec. 2. 35-A MRSA §3209-B, sub-§5, as enacted by PL 2019, c. 478, Pt. A, §4, is amended to read:
27 28 29	5. Tariff rate; bill credits. The commission shall establish by rule a tariff rate <u>rates</u> for customers participating in the program. The initial tariff rate must be established no later than December 1, 2019.
30 31 32 33 34	A. The tariff rate <u>for customers participating in net energy billing with a distributed generation resource described in this paragraph</u> must equal the standard offer standard-offer service rate established under pursuant to section 3212 that is applicable to the customer receiving the credit plus 75% of the effective transmission and distribution rate for the rate class that includes the smallest commercial customers of the investor-

1 2	owned transmission and distribution utility. The tariff rate under this paragraph applies to net energy billing with a distributed generation resource:
3	(1) With a nameplate capacity of greater than one megawatt if:
4 5 6 7 8 9 10 11 12 13 14 15 16 17	(a) The entity developing the distributed generation resource certifies by sworn affidavit with accompanying documentation to the commission that the entity, before September 1, 2022, commenced physical work of a significant nature, as described in Internal Revenue Service Notice 2013-29, Section 4.02, on the distributed generation resource and thereafter the entity has made and will continue to make continuous construction efforts, as described in Internal Revenue Service Notice 2013-29, Section 4.06, to advance toward completion of the distributed generation resource. The commission may share information contained in the affidavit submitted in accordance with this division with a transmission and distribution utility, as necessary, to verify a distributed generation resource's compliance with this division. The commission may require the entity that submits a sworn affidavit under this division to provide updated documentation to the commission 12 months after submission of the affidavit; or
18 19 20	(b) The distributed generation resource is collocated with a net energy billing customer that is or net energy billing customers that are subscribed to at least 50% of the facility's output; or
21	(2) With a nameplate capacity of one megawatt or less.
22 23	A-1. The tariff rate for a customer participating in net energy billing under this section with a distributed generation resource not governed by paragraph A must:
24 25 26 27 28 29	(1) In 2022, equal the standard-offer service rate established pursuant to section 3212 that was applicable to the rate class of the customer receiving the credit on December 31, 2020 plus 75% of the effective transmission and distribution rate that was in effect on December 31, 2020 for the rate class that includes the smallest commercial customers of the investor-owned transmission and distribution utility; and
30 31	(2) Increase by 2.25% on January 1st of each subsequent year, beginning January 1, 2023.
32 33 34 35 36	B. A customer participating in the program must receive for electricity delivered to the electric grid from a distributed generation resource in which the customer has a financial interest a bill credit based on the tariff rate to apply against the costs of electricity delivered to the customer by the investor-owned transmission and distribution utility.
37 38 39 40	C. A bill credit under the program as described in paragraph B may be applied to any portion of a customer's electricity bill. Credits that remain unused at the end of any billing period may be carried forward for up to one year from the end of that billing period.
41 42	D. A customer participating in the program who remains eligible to participate in the program must be allowed to receive a bill credit based on the tariff rate for a period of

Page 2 - 130LR0345(02)

no less than 20 years from the date of first receiving the credit.

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appropriations and allocations section.

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1 Sec. 3. Appropriations and allocations. The following appropriations and allocations are made. 2 3 PUBLIC UTILITIES COMMISSION 4 **Public Utilities - Administrative Division 0184** 5 Initiative: Provides funding for one Utility Analyst position and associated position costs. 6 OTHER SPECIAL REVENUE FUNDS 2021-22 2022-23 7 POSITIONS - LEGISLATIVE COUNT 0.000 1.000 8 \$145.312 Personal Services \$0 9 All Other \$0 \$8,880 10 \$0 \$154,192 11 OTHER SPECIAL REVENUE FUNDS TOTAL 12 13 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively. 14 **SUMMARY** 15 16 This amendment replaces the bill and adds a new title. The amendment establishes a tariff rate applicable to distributed generation resources that do not qualify for the tariff rate 17 18 under the Maine Revised Statutes, Title 35-A, section 3209-B, subsection 5, paragraph A. 19 The amendment limits the applicability of the tariff rate under paragraph A to distributed 20 generation resources with a nameplate capacity of one megawatt or less and distributed 21 generation resources with a nameplate capacity over one megawatt that are collocated with net energy billing customers subscribed to at least 50% of the facility's output or that have 22 23 certified that the resources have commenced physical work of a significant nature before 24 September 1, 2022. The amendment also replaces the term "commercial operation" with the term "mechanical completion" and defines "mechanical completion" in the provisions 25 governing the residential net energy billing program. The amendment adds an 26

FISCAL NOTE REQUIRED

(See attached)

Page 3 - 130LR0345(02)