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An Act To Create a Limited Microgrid Project To Stimulate Economic Development in Northern Maine

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

Sec. 1. 35-A MRSA §3214-A is enacted to read:

§ 3214-A. Microgrids; limited program in northern Maine

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

A. "Industrial consumer" means an electricity consumer that requires or receives electric service at 34.5 kilovolts or more.

B. "Microgrid" means a transmission or distribution system connecting an electricity generator with one or more industrial consumers located in close proximity to the generator that allows the sale or transfer of electricity from the generator to those consumers without use of the transmission and distribution utility system.

C. "Northern Maine" means that area of the State in which the transmission system and electrical power markets are administered by the independent system administrator for northern Maine.

2. Program in northern Maine. The commission by rule shall establish a limited program to allow microgrids in northern Maine. The rules must specify at least the following:

A. The capacity limit and other appropriate qualifications for an electricity generator in a microgrid;

B. The kilovolt limit and other appropriate qualifications for a transmission or distribution system in a microgrid;

C. The maximum distance between the electricity generator and an industrial consumer in a microgrid;

D. The maximum number of industrial consumers that may be in a microgrid; and

E. The process by which a person applies for authorization from the commission to construct, maintain, operate and furnish service to industrial consumers in a microgrid. The commission may establish an application fee to cover its administrative costs under this section.

3. Regulation. Notwithstanding section 2102 or any other provision of this Title, a person that constructs, maintains or operates a microgrid authorized under this section does not, as a result of furnishing service through that microgrid to industrial consumers in accordance with rules adopted under this section, become a public utility and is not subject to regulation as a public utility under this Title.

4. Rules. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

5. Review and reporting. By February 15, 2018 and annually thereafter, the commission shall report to the joint standing committee of the Legislature having jurisdiction over utilities matters on the program established under this section. The report must include at least the following:

- A. A summary of the program, including the substance of rules in effect under this section and the number of microgrids that have been authorized;
- B. The effect of the program on economic development in northern Maine;
- C. The effect of the program on transmission and distribution utilities in northern Maine; and
- D. Any recommendations of the commission with respect to whether the program should be continued, expanded, limited or discontinued.

SUMMARY

This bill establishes a limited microgrid program in northern Maine. The bill directs the Public Utilities Commission to establish by rule a program that would allow the creation of small transmission or distribution systems connecting an electricity generator with one or more industrial consumers located in close proximity to the generator, allowing for the sale or transfer of electricity from the generator to those consumers without use of the system of the transmission and distribution utility. The commission is directed to report annually to the Legislature on the program and whether it should be continued, expanded, limited or discontinued.