

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Control Electricity Transmission Costs through the Development of Nontransmission Alternatives**

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

**Sec. 1. 35-A MRSA §3132, sub-§2-C, ¶B,** as amended by PL 2013, c. 369, Pt. C, §2, is further amended to read:

B. Justification for adoption of the route selected, including comparison with alternative routes that are environmentally, technically and economically practical; and

**Sec. 2. 35-A MRSA §3132, sub-§2-C, ¶C,** as amended by PL 2013, c. 369, Pt. C, §2, is repealed.

**Sec. 3. 35-A MRSA §3132, sub-§2-D** is enacted to read:

**2-D. Nontransmission alternatives.** Upon receipt of a petition for approval of a proposed transmission line, the commission shall direct the smart grid coordinator under section 3143 to develop a nontransmission alternative to the proposed transmission line. The costs incurred by the smart grid coordinator in developing the nontransmission alternative must be paid by the person submitting the petition for the transmission line. The nontransmission alternative must meet the same reliability standards as those required for the transmission line over the relevant planning period, and the smart grid coordinator must set forth the total projected costs of the nontransmission alternative over the effective life of the proposed transmission line. If the person proposing the transmission line is a transmission and distribution utility and the commission determines that it is in the public interest to proceed with the nontransmission alternative developed by the smart grid coordinator, the prudently incurred costs of the nontransmission alternative are just and reasonable for rate-making purposes.

**Sec. 4. 35-A MRSA §3132-A, sub-§1,** as enacted by PL 2013, c. 369, Pt. C, §8, is repealed and the following enacted in its place:

**1. Submission requirement.** A person that proposes to undertake a transmission project shall provide the commission with a description of the need for the proposed transmission project.

**Sec. 5. 35-A MRSA §3132-A, sub-§1-A** is enacted to read:

**1-A. Nontransmission alternatives.** Upon receipt of a request by a person to undertake a transmission project, the commission shall direct the smart grid coordinator under section 3143 to develop a nontransmission alternative to the transmission project. The costs incurred by the smart grid coordinator in developing the nontransmission alternative must be paid by the person seeking to undertake the transmission project. The nontransmission alternative must meet the same reliability standards as those required for the transmission project over the relevant planning period, and the smart grid coordinator must set forth the total projected costs of the nontransmission alternative over the effective life of the proposed transmission project. If the person proposing to undertake a transmission project is a

transmission and distribution utility and the commission determines that it is in the public interest to proceed with the nontransmission alternative developed by the smart grid coordinator, the prudently incurred costs of the nontransmission alternative are just and reasonable for rate-making purposes.

**Sec. 6. 35-A MRSA §3143, sub-§1, ¶B**, as enacted by PL 2009, c. 539, §2, is amended to read:

B. "Smart grid coordinator" means an entity, ~~authorized~~appointed by the commission in accordance with subsection ~~55-A~~, that manages access to smart grid functions and associated infrastructure, technology and applications within the service territory of a transmission and distribution utility.

**Sec. 7. 35-A MRSA §3143, sub-§5**, as enacted by PL 2009, c. 539, §2, is repealed.

**Sec. 8. 35-A MRSA §3143, sub-§5-A** is enacted to read:

**5-A. Smart grid coordinator; appointment by the Public Utilities Commission; qualifications; responsibilities.** The commission shall appoint at least one smart grid coordinator to serve all transmission and distribution utility service territories. A smart grid coordinator appointed under this subsection shall operate under a commission-approved contract with a transmission and distribution utility or in some other manner as approved by the commission. The smart grid coordinator:

A. Must be an entity incorporated in the State;

B. May not be a transmission and distribution utility located in the State or an affiliate of a transmission and distribution utility located in the State; and

C. Must have a demonstrated record of developing, operating and managing nontransmission alternatives.

The duties and responsibilities of the smart grid coordinator include the development, implementation, operation and management of nontransmission alternatives approved by the commission pursuant to sections 3132 and 3132-A and any other duties and responsibilities that are consistent with this section and rules established by the commission. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

## SUMMARY

This bill changes the requirement regarding the development, implementation, operation and management of nontransmission alternatives for proposed transmission lines and proposed transmission projects. This bill requires that a smart grid coordinator appointed by the Public Utilities Commission develop a nontransmission alternative to a proposed transmission line or proposed transmission project.

The bill provides that a smart grid coordinator must be an entity incorporated in the State; may not be a transmission and distribution utility located in the State or an affiliate of a transmission and distribution utility located in the State; and must have a demonstrated record of developing, operating and managing nontransmission alternatives.