



130th MAINE LEGISLATURE

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Legislative Document

No. 1596

H.P. 1185

House of Representatives, April 27, 2021

**An Act To Reduce the Nameplate Capacity of Distributed
Generation Resource Projects to Qualify for Net Energy Billing and
Decrease Tariff Rates for Customers Participating in Net Energy
Billing Programs**

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in black ink, reading "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative CAIAZZO of Scarborough.

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

2 **Sec. 1. 35-A MRSA §3209-A, sub-§4**, as enacted by PL 2019, c. 478, Pt. A, §3, is
3 amended to read:

4 **4. System size.** The nameplate capacity of a distributed generation resource that may
5 be used for net energy billing must be less than ~~5 megawatts~~ one megawatt, except that, if
6 a municipality is the customer participating in net energy billing, the nameplate capacity of
7 a distributed generation resource located in that municipality that may be used for the net
8 energy billing may be 5 megawatts or more, as long as less than ~~5 megawatts~~ one megawatt
9 of metered electricity from the resource is used for net energy billing.

10 **Sec. 2. 35-A MRSA §3209-B, sub-§5, ¶A-1** is enacted to read:

11 A-1. Notwithstanding the provisions of paragraph A, for a project subject to a contract
12 entered into after January 1, 2021:

13 (1) Beginning January 1, 2022, the tariff rate must equal the standard offer service
14 rate established under section 3212 that is applicable to the customer receiving the
15 credit plus 50% of the effective transmission and distribution rate for the rate class
16 that includes the smallest commercial customers of the investor-owned
17 transmission and distribution utility;

18 (2) Beginning January 1, 2023, the tariff rate must equal the standard offer service
19 rate established under section 3212 that is applicable to the customer receiving the
20 credit plus 40% of the effective transmission and distribution rate for the rate class
21 that includes the smallest commercial customers of the investor-owned
22 transmission and distribution utility;

23 (3) Beginning January 1, 2024, the tariff rate must equal the standard offer service
24 rate established under section 3212 that is applicable to the customer receiving the
25 credit plus 30% of the effective transmission and distribution rate for the rate class
26 that includes the smallest commercial customers of the investor-owned
27 transmission and distribution utility;

28 (4) Beginning January 1, 2025, the tariff rate must equal the standard offer service
29 rate established under section 3212 that is applicable to the customer receiving the
30 credit plus 20% of the effective transmission and distribution rate for the rate class
31 that includes the smallest commercial customers of the investor-owned
32 transmission and distribution utility;

33 (5) Beginning January 1, 2026, the tariff rate must equal the standard offer service
34 rate established under section 3212 that is applicable to the customer receiving the
35 credit plus 10% of the effective transmission and distribution rate for the rate class
36 that includes the smallest commercial customers of the investor-owned
37 transmission and distribution utility; and

38 (6) Beginning January 1, 2027, the tariff rate must equal the standard offer service
39 rate established under section 3212 that is applicable to the customer receiving the
40 credit.

41 **Sec. 3. 35-A MRSA §3209-B, sub-§5, ¶D**, as enacted by PL 2019, c. 478, Pt. A,
42 §4, is amended to read:

1 D. A customer participating in the program who remains eligible to participate in the
2 program must be allowed to receive a bill credit ~~based on the tariff rate~~ for a period of
3 no less than ~~20~~ 10 years from the date of first receiving the credit.

4 **Sec. 4. Voluntary buyout.** The Public Utilities Commission, either directly or
5 through a transmission and distribution utility or another 3rd party, shall offer a voluntary
6 buyout to a commercial or institutional customer of an investor-owned transmission and
7 distribution facility that has a shared financial interest in a project under the Maine Revised
8 Statutes, Title 35-A, section 3209-B and has not started commercial operation on the
9 effective date of this Act. A buyout under this subsection must be in the interest of the
10 ratepayers and may not equal more than 2¢ per kilowatt-hour multiplied by the
11 commission's estimate of the project's expected energy production over the life of its
12 contract. To receive a buyout under this subsection, the customer must file with the
13 commission an application developed by the commission within the time period specified
14 by the commission. The Public Utilities Commission may not offer a buyout under this
15 section after June 30, 2022.

16 **Sec. 5. Application.** A distributed generation resource with a nameplate capacity
17 of one megawatt or more and less than 5 megawatts that qualified for net energy billing
18 prior to the effective date of this Act under the Maine Revised Statutes, Title 35-A, section
19 3209-A, subsection 4 and is subject to a contract entered into prior to January 1, 2021 may
20 continue to qualify for net energy billing if the Public Utilities Commission determines
21 there is sufficient viability of the project based upon developer investment and the
22 achievement of project development milestones under Title 35-A, section 3484, subsection
23 7.

24 SUMMARY

25 This bill reduces the nameplate capacity of a distributed generation resource project
26 that qualifies for net energy billing from less than 5 megawatts to less than one megawatt,
27 and allows a project subject to a contract entered into prior to January 1, 2021 that
28 previously qualified for net energy billing and no longer qualifies upon the enactment of
29 this provision to continue to qualify for net energy billing as determined by the Public
30 Utilities Commission based upon the project's viability as indicated by developer
31 investment and achievement of project milestones. This bill decreases tariff rates for
32 customers participating in the net energy billing program for commercial and institutional
33 customers of investor-owned transmission and distribution utilities from the standard offer
34 service rate plus 75% of the transmission and distribution rate for the class of the smallest
35 customers of the utility in annual incremental reductions until arriving at the standard offer
36 service rate after 5 years. It also reduces the time in which a customer participating in the
37 program may receive the bill credit from 20 years to 10 years. This bill also directs the
38 Public Utilities Commission to offer buyouts to commercial or institutional customers of
39 transmission and distribution utilities who have a shared financial interest in a distributed
40 generation resource project who have not yet started commercial operations on the effective
41 date of this bill.