



132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1777

H.P. 1188

House of Representatives, April 24, 2025

**An Act to Clarify Tariff Rates for Nonresidential Customers
Participating in Net Energy Billing with a Distributed Generation
Resource**

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

A handwritten signature in cursive script, reading "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative WARREN of Scarborough.
Cosponsored by Representative: FOSTER of Dexter.

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

2 **Sec. 1. 35-A MRSA §3209-B, sub-§5, ¶A,** as amended by PL 2021, c. 659, §19,
3 is further amended to read:

4 A. The tariff rate for a customer participating in net energy billing with a distributed
5 generation resource described in this paragraph must ~~equal the standard offer service~~
6 ~~rate established under section 3212 that is applicable to the customer receiving the~~
7 ~~credit plus 75% of the effective transmission and distribution rate for the rate class that~~
8 ~~includes the smallest commercial customers of the investor-owned transmission and~~
9 ~~distribution utility~~ be established and revised as needed by the commission to ensure
10 that the tariff rate is just and reasonable to a developer of a distributed generation
11 resource and a customer by providing that a developer of a distributed generation
12 resource has a reasonable opportunity to earn a fair profit from the operation of the
13 distributed generation resource; the tariff rate may not exceed 1.5 times the average of
14 the tariff rates set by other states in the region for a similar distributed generation
15 resource. The tariff rate under this paragraph applies to net energy billing with a
16 distributed generation resource:

17 (1) With a nameplate capacity of greater than one megawatt if:

18 (a) The entity developing the distributed generation resource certifies by
19 affidavit with accompanying documentation to the commission that the entity,
20 before September 1, 2022, commenced on-site physical work of a significant
21 nature on the distributed generation resource and the entity has made and will
22 continue to make continuous on-site construction efforts to advance toward
23 completion of the distributed generation resource. For the purpose of this
24 paragraph, continuous on-site construction efforts include, but are not limited
25 to, in the context of a solar facility, the continuous installation of racks or other
26 structures to affix photovoltaic panels, collectors or solar cells to a site. The
27 commission may share information contained in the affidavit submitted in
28 accordance with this paragraph with a transmission and distribution utility, as
29 necessary, to verify a distributed generation resource's compliance with this
30 section. In administering this subsection, the commission may adopt rules
31 including, but not limited to, requiring the entity that submits a sworn affidavit
32 under this subparagraph to provide updated documentation to the commission
33 after submission of the affidavit; or

34 (b) The distributed generation resource is collocated with a net energy billing
35 customer that is or net energy billing customers that are subscribed to at least
36 50% of the facility's output; or

37 (2) With a nameplate capacity of one megawatt or less.

38 **Sec. 2. 35-A MRSA §3209-B, sub-§5, ¶A-1,** as enacted by PL 2021, c. 659, §19,
39 is amended to read:

40 A-1. The tariff rate for a customer participating in net energy billing under this section
41 with a distributed generation resource not governed by paragraph A must: be
42 established and revised as needed by the commission to ensure that the tariff rate is just
43 and reasonable to a developer of a distributed generation resource and a customer by
44 providing that a developer of a distributed generation resource has a reasonable

opportunity to earn a fair profit from the operation of the distributed generation resource; the tariff rate may not exceed 1.5 times the average of the tariff rates set by other states in the region for a similar distributed generation resource.

(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

(2) Increase by 2.25% on January 1st of each subsequent year, beginning January 1, 2023.

Sec. 3. Public Utilities Commission to adopt rules. The Public Utilities Commission shall adopt rules necessary to implement this Act by January 1, 2026.

Sec. 4. Effective date. Those sections of this Act that amend the Maine Revised Statutes, Title 35-A, section 3209-B, subsection 5, paragraphs A and A-1 take effect January 1, 2026.

SUMMARY

This bill changes the tariff rate for a nonresidential customer of a transmission and distribution utility in the State participating in net energy billing to a rate that is just and reasonable to a developer of a distributed generation resource and a customer by providing that the developer of a distributed generation resource has a reasonable opportunity to earn a fair profit from the operation of the distributed generation resource; the tariff rate which may not exceed 1.5 times the average of the tariff rates set by other states in the region for a similar distributed generation resource.