



131st MAINE LEGISLATURE

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Legislative Document

No. 2172

H.P. 1391

House of Representatives, January 22, 2024

An Act to Enhance Electric Utility Performance-based Ratemaking

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

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

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative RUNTE of York.
Cosponsored by Senator LAWRENCE of York and
Representative: ZEIGLER of Montville, Senator: BENNETT of Oxford.

1 **Emergency preamble.** Whereas, acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** this legislation needs to take effect before the expiration of the 90-day
4 period in order for the Public Utilities Commission to perform its duties under this
5 legislation in a timely fashion so that new standards and metrics are introduced into new
6 electricity rate cases as soon as possible to benefit ratepayers and the public and ensure
7 alignment with the State's climate policies; and

8 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
9 the meaning of the Constitution of Maine and require the following legislation as
10 immediately necessary for the preservation of the public peace, health and safety; now,
11 therefore,

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

13 **Sec. 1. 35-A MRSA §307, sub-§6** is enacted to read:

14 **6. General increase in rates; performance-based metrics; rate adjustment**
15 **mechanisms.** Notwithstanding any other provision of this Title, the commission may
16 establish performance-based metrics and rate adjustment mechanisms in a proceeding for
17 a general increase in rates.

18 **Sec. 2. Public Utilities Commission to conduct review of performance-**
19 **based metrics and rate adjustment mechanisms.**

20 **1. Commission proceeding.** No later than September 30, 2024, the Public Utilities
21 Commission, referred to in this section as "the commission," shall initiate a proceeding to
22 establish a framework enhancing the performance-based metrics in the Maine Revised
23 Statutes, Title 35-A, section 301, subsection 1-A, paragraph A. The framework must set
24 clear objectives benefiting ratepayers and the public.

25 **2. Objectives; considerations.** In conducting a proceeding to establish a framework
26 pursuant to subsection 1, the commission shall consider, but is not limited to considering,
27 objectives that would benefit ratepayers and the public and would achieve the following:

- 28 A. Promotion of efficient, cost-effective utility operations;
- 29 B. Increased planning and preparation for extreme weather events and climate hazards;
- 30 C. Cost-effective and comprehensive response to outages;
- 31 D. Increased affordability and customer empowerment and satisfaction; and
- 32 E. Advancement of the State's climate policies, including those described in the
33 climate action plan update submitted pursuant to the Maine Revised Statutes, Title 38,
34 section 577, subsection 1 and the greenhouse gas emissions reduction levels specified
35 in Title 38, section 576-A.

36 The framework must detail specific standards and metrics for assessing transmission and
37 distribution utility performance relative to those objectives.

38 The commission shall also consider performance-based metrics and rate adjustment
39 mechanisms used in other states.

- 1 1. Establish a framework to enhance the performance-based metrics in current law.
2 The framework must set clear objectives benefiting ratepayers and the public and may
3 include, but is not limited to, objectives such as operational efficiency and cost-
4 effectiveness; resilience and emergency response; affordability and customer
5 empowerment and satisfaction; and advancement of the State's climate policies. The
6 framework must also detail specific standards and metrics for assessing transmission and
7 distribution utility performance relative to these objectives. The commission must also
8 consider performance-based metrics and rate adjustment mechanisms used in other states;
9 2. Identify how the standards and metrics set out in the framework must be applied;
10 3. Identify specific and innovative rate adjustment mechanisms to be implemented to
11 align transmission and distribution utility performance with such standards and metrics;
12 4. Establish a technical policy group within the commission to collect data, conduct
13 analysis, develop standards and metrics, monitor performance and recommend rate
14 adjustment based on performance. The group must also conduct the assessments of
15 innovative rate adjustment mechanisms. The commission is authorized to hire 3 full-time
16 employees for this purpose; and
17 5. Submit a report, including recommended legislation, to the joint standing committee
18 of the Legislature having jurisdiction over utility matters no later than January 15, 2025.