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Date: (Filing No. S-)

ENERGY, UTILITIES AND TECHNOLOGY

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

130TH LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT “ ” to S.P. 213, L.D. 528, “An Act To Advance Energy Storage in Maine”

Amend the bill in section 1 in §3145 by striking out all of the first indented paragraph (page 1, lines 4 to 6 in L.D.) and inserting the following:

'The state goal for energy storage system development is 300 megawatts of installed capacity located within the State by December 31, 2025 and 400 megawatts of installed capacity located within the State by December 31, 2030. Beginning January 1, 2031, and every 2 years thereafter, the Governor's Energy Office established in Title 2, subsection 9 shall set the state goal for energy storage system development and report that goal to the joint standing committee of the Legislature having jurisdiction over energy and utilities matters. For the purposes of this section, "energy storage system" has the same meaning as in section 3481, subsection 6.'

Amend the bill in section 4 in subparagraph (4) in the first 2 lines (page 1, lines 35 and 36 in L.D.) by striking out the following: "achieving reductions in" and inserting the following: '~~achieving reductions in~~ reducing or shifting'

Amend the bill in section 4 in subparagraph (4) in the 2nd line (page 1, line 36 in L.D.) by striking out the following: "during peak use periods" and inserting the following: '~~during peak-use periods~~ or balancing load'

Amend the bill in section 5 in the 3rd line (page 1, line 40 in L.D.) by striking out the following: "reduce peak demand" and inserting the following: 'cost-effectively reduce or shift demand or balance load'

Amend the bill by striking out all of section 6 and inserting the following:

'Sec. 6. Energy storage pilot program. The Efficiency Maine Trust shall conduct a pilot program beginning January 1, 2022 to provide energy storage systems to critical care facilities, including but not limited to, hospitals, health care facilities, fire departments, emergency medical service departments, police departments, public safety buildings, emergency shelters and other facilities providing critical services. The total energy storage capacity deployed under the pilot program may not exceed 15 megawatts. Under this

COMMITTEE AMENDMENT

1 program, the trust may consider the installation of energy storage systems to support the
2 operations of a critical care facility during outages or emergencies. The trust shall select
3 for the program the most cost-effective proposals that provide direct or indirect benefits
4 through transmission or distribution deferral or other uses or through the participation in
5 energy markets, capacity markets or ancillary service markets. The trust may also consider
6 the deployment of mobile energy storage technologies that serve multiple critical care
7 facilities.

8 The trust shall report on its activities under this section in the trust's annual report
9 pursuant to the Maine Revised Statutes, Title 35-A, section 10104, subsection 5.

10 **Sec. 7. Public Utilities Commission; rate design and energy storage.** The
11 Public Utilities Commission shall investigate and, where appropriate, implement
12 transmission and distribution utility rate designs that account for variation in the cost
13 components of electricity as the load or demand on the electricity system fluctuates. By
14 December 31, 2022, the commission, in coordination with other related proceedings, shall
15 take the following specific steps to address rate design and energy storage:

16 1. Open a docket to investigate opportunities to modernize transmission and
17 distribution utility rate designs through time-of-use or other time-differentiated rates that
18 send appropriate price signals and incentives to consumers to reduce demand during peak
19 periods and develop and implement a pilot program to test and evaluate time-of-use rates
20 in conjunction with energy storage; and

21 2. Develop and implement a schedule for regular review and update of transmission
22 and distribution utility rate designs, including consideration of fixed charges, and ensure
23 that the review includes consideration of time-differentiated rates.

24 **Sec. 8. Public Utilities Commission; consideration of power-to-fuel pilot**
25 **program.** The Public Utilities Commission shall consider the feasibility of a power-to-
26 fuel pilot program that would result in the development of power-to-fuel projects utilizing
27 renewable energy and would provide the developer with exemptions, for a period of at least
28 15 years, from distribution charges, including volumetric, demand and standby charges,
29 charges associated with the procurement of energy efficiency resources by transmission
30 and distribution utilities ordered under the Maine Revised Statutes, Title 35-A, section
31 10110, subsection 4-A and renewable portfolio standards requirements under Title 35-A,
32 section 3210, subsections 3-A, 3-B and 3-C. The commission shall also:

33 1. Evaluate whether a power-to-fuel project would benefit the electric grid;

34 2. Provide estimates of the ratepayer impact of a pilot program and how that compares
35 with other types of energy storage technologies; and

36 3. Review what measures other states have taken to facilitate the development of
37 energy storage and whether those measures were successful in promoting energy storage,
38 minimized ratepayer impacts and promoted a diversification of energy storage
39 technologies.

40 By February 1, 2022, the commission shall submit a report to the Joint Standing
41 Committee on Energy, Utilities and Technology and the committee may report out a bill
42 related to the report to the Second Regular Session of the 130th Legislature.

1 For the purposes of this section, "power-to-fuel project" means a facility that converts
2 renewable energy to hydrogen gas, methane or other fuel.

3 **Sec. 9. Governor's Energy Office; energy storage market assessment**
4 **study.** The Governor's Energy Office shall conduct an energy storage market assessment
5 study, including an in-depth analysis and review of the opportunities and potential
6 presented to and challenges facing the State in reaching the goals established pursuant to
7 the Maine Revised Statutes, Title 35-A, section 3145, and shall submit a report on the
8 market assessment study, along with any recommendations on adjustments or changes to
9 the energy storage requirements in Title 35-A, section 3145, to the Joint Standing
10 Committee on Energy, Utilities and Technology no later than March 1, 2022. The
11 committee may report out a bill related to the report to the Second Regular Session of the
12 130th Legislature.

13 1. The market assessment study must include, but is not limited to, examination of:

14 A. The availability of commercially viable energy storage technologies, including
15 emerging technologies, in the State and New England region between 2021 and 2030;

16 B. The policy and regulatory options that may influence the speed, predictability and
17 cost to ratepayers associated with the development of energy storage technologies in
18 this State and the amount of energy storage installed;

19 C. The estimated electricity costs and benefits for ratepayers of commercially viable
20 energy storage technologies during the 10-year period between 2020 and 2030;

21 D. Policies and regulations in other states and the New England region and how energy
22 storage can assist in achieving the greenhouse gas emissions reduction levels in Title
23 38, chapter 3-A in a cost-effective manner; and

24 E. The potential implications for the achievement of the state goals established in Title
25 35-A, section 3210 associated with achievement of the energy storage goal established
26 in Title 35-A, section 3145.

27 2. Upon written request of the Governor's Energy Office, the Public Utilities
28 Commission shall provide for the study:

29 A. Reasonable technical, legal and other assistance, including the provision of
30 requested information; and

31 B. Funding for staff and consultants in an amount not to exceed \$100,000. Any such
32 costs must be recovered through assessments on transmission and distribution utilities
33 in accordance with Title 35-A, section 116.

34 The Governor's Energy Office shall encourage interested parties to submit relevant
35 information, including data, to inform the energy storage market assessment study.

36 **Sec. 10. Appropriations and allocations.** The following appropriations and
37 allocations are made.

38 **PUBLIC UTILITIES COMMISSION**

39 **Public Utilities - Administrative Division 0184**

40 Initiative: Provides funding to assist the Governor's Energy Office with a market
41 assessment study regarding energy storage.

1	OTHER SPECIAL REVENUE FUNDS	2021-22	2022-23
2	All Other	\$100,000	\$0
3			
4	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$100,000</u>	<u>\$0</u>
5	Public Utilities - Administrative Division 0184		
6	Initiative: Provides funding for one Staff Attorney position and one Utility Analyst position		
7	and related All Other costs.		
8	OTHER SPECIAL REVENUE FUNDS	2021-22	2022-23
9	POSITIONS - LEGISLATIVE COUNT	2,000	2,000
10	Personal Services	\$209,122	\$290,624
11	All Other	\$15,031	\$17,760
12			
13	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$224,153</u>	<u>\$308,384</u>
14			
15	PUBLIC UTILITIES COMMISSION		
16	DEPARTMENT TOTALS	2021-22	2022-23
17			
18	OTHER SPECIAL REVENUE FUNDS	\$324,153	\$308,384
19			
20	DEPARTMENT TOTAL - ALL FUNDS	<u>\$324,153</u>	<u>\$308,384</u>

21 '
 22 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
 23 number to read consecutively.

24 **SUMMARY**

25 This amendment does the following.

26 1. It changes the state goal for energy storage system development from 100 megawatts
 27 of installed capacity by December 31, 2025 as in the bill to 300 megawatts of installed
 28 capacity by December 31, 2025 and 400 megawatts of installed capacity by December 31,
 29 2030 and requires the Governor's Energy Office, every 2 years beginning in 2031, to set
 30 the state goal for energy storage system development and report that goal to the joint
 31 standing committee of the Legislature having jurisdiction over energy and utility matters.

32 2. It requires the Efficiency Maine Trust to explore and evaluate options to expand
 33 existing opportunities and develop new opportunities to support energy storage measures
 34 that cost-effectively reduce or shift demand or balance load, instead of only reducing peak
 35 demand.

36 3. It requires, beginning January 1, 2022, the trust to conduct a pilot program to provide
 37 energy storage systems to critical care facilities and limits the pilot program to 15
 38 megawatts of energy storage capacity.

39 4. It requires the trust, in its annual report, to specify its activities undertaken under
 40 the energy storage pilot program.

