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Date: (Filing No. S-)

ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE

SENATE

130TH LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT “ ” to S.P. 248, L.D. 634, “An Act To Cap the Value of Contracts for Renewable Resources and Distributed Generation Resources”

Amend the bill by striking out the title and substituting the following:

'An Act To Reduce Volatility in the Net Energy Billing Program'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 35-A MRSA §3209-A, sub-§7, ¶E, as enacted by PL 2021, c. 390, §1, is amended by amending subparagraph (1) to read:

(1) The proposed distributed generation resource must reach ~~commercial operation~~ mechanical completion by the date specified in the net energy billing agreement or by the date specified with an allowable modification to that agreement. For the purposes of this subparagraph, "mechanical completion" means that all mechanical and physical aspects of a distributed generation resource have been constructed and installed in accordance with design specifications such that the resource may commence commercial operation upon receipt of permission to operate from the utility.

Sec. 2. 35-A MRSA §3209-B, sub-§5, as enacted by PL 2019, c. 478, Pt. A, §4, is amended to read:

5. Tariff rate; bill credits. The commission shall establish by rule a ~~tariff rate~~ rates for customers participating in the program. The initial tariff rate must be established no later than December 1, 2019.

A. The tariff rate for customers participating in net energy billing with a distributed generation resource described in this paragraph must equal the ~~standard offer~~ standard-offer service rate established ~~under~~ pursuant to section 3212 that is applicable to the customer receiving the credit plus 75% of the effective transmission and distribution rate for the rate class that includes the smallest commercial customers of the investor-

COMMITTEE AMENDMENT

1 owned transmission and distribution utility. The tariff rate under this paragraph applies
2 to net energy billing with a distributed generation resource:

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

4 (a) The entity developing the distributed generation resource certifies by
5 sworn affidavit with accompanying documentation to the commission that the
6 entity, before September 1, 2022, commenced physical work of a significant
7 nature, as described in Internal Revenue Service Notice 2013-29, Section 4.02,
8 on the distributed generation resource and thereafter the entity has made and
9 will continue to make continuous construction efforts, as described in Internal
10 Revenue Service Notice 2013-29, Section 4.06, to advance toward completion
11 of the distributed generation resource. The commission may share information
12 contained in the affidavit submitted in accordance with this division with a
13 transmission and distribution utility, as necessary, to verify a distributed
14 generation resource's compliance with this division. The commission may
15 require the entity that submits a sworn affidavit under this division to provide
16 updated documentation to the commission 12 months after submission of the
17 affidavit; or

18 (b) The distributed generation resource is collocated with a net energy billing
19 customer that is or net energy billing customers that are subscribed to at least
20 50% of the facility's output; or

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

22 A-1. The tariff rate for a customer participating in net energy billing under this section
23 with a distributed generation resource not governed by paragraph A must:

24 (1) In 2022, equal the standard-offer service rate established pursuant to section
25 3212 that was applicable to the rate class of the customer receiving the credit on
26 December 31, 2020 plus 75% of the effective transmission and distribution rate
27 that was in effect on December 31, 2020 for the rate class that includes the smallest
28 commercial customers of the investor-owned transmission and distribution utility;
29 and

30 (2) Increase by 2.25% on January 1st of each subsequent year, beginning January
31 1, 2023.

32 B. A customer participating in the program must receive for electricity delivered to
33 the electric grid from a distributed generation resource in which the customer has a
34 financial interest a bill credit based on the tariff rate to apply against the costs of
35 electricity delivered to the customer by the investor-owned transmission and
36 distribution utility.

37 C. A bill credit under the program as described in paragraph B may be applied to any
38 portion of a customer's electricity bill. Credits that remain unused at the end of any
39 billing period may be carried forward for up to one year from the end of that billing
40 period.

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

