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ENERGY, UTILITIES AND TECHNOLOGY

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

STATE OF MAINE

SENATE

132ND LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT “ ” to S.P. 694, L.D. 1792, “An Act Regarding the Energy Policy of the State”

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

'An Act Regarding the Allocation of Net Energy Billing Costs and Long-term Contracting Costs'

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

'Sec. 1. 35-A MRSA §3209-C, sub-§2, ¶B, as enacted by PL 2023, c. 411, §5, is amended to read:

~~B. The commission shall allocate to each investor-owned transmission and distribution utility its pro rata share of net energy billing costs. If the commission finds that a benefit of distributed generation under net energy billing provides a monetized net financial benefit to an investor-owned transmission and distribution utility that the commission does not otherwise account for when setting rates for the utility, the net financial benefit must be applied to offset the net energy billing costs allocated under this paragraph subsection. The allocation must be based on each utility's total retail kilowatt-hour energy sales to ratepayers that pay net energy billing costs. The commission may determine the means to be used for the allocation required under this subsection, and those means may include the direct transfer of funds between transmission and distribution utilities.~~

Sec. 2. 35-A MRSA §3209-C, sub-§2, ¶C is enacted to read:

C. The commission shall allocate net energy billing costs by aggregating each rate class across both investor-owned transmission and distribution utilities.

Sec. 3. 35-A MRSA §3210-F, sub-§3, as enacted by PL 2013, c. 454, §2, is repealed and the following enacted in its place:

3. Allocation of eligible costs and benefits. The commission shall annually allocate eligible costs and benefits determined under subsection 2 by aggregating each rate class across both investor-owned transmission and distribution utilities.

Sec. 4. Net energy billing costs and long-term contracting costs allocation.

Within 14 days of the effective date of this Act, the Public Utilities Commission shall initiate a proceeding to allocate net energy billing costs and the eligible costs and benefits associated with long-term contracts in accordance with the Maine Revised Statutes, Title 35-A, section 3209-C, subsection 2, paragraph C and Title 35-A, section 3210-F, subsection 3.

1. In determining the costs for the rate class of customers that have instantaneous demand of 400 kilowatts or greater or that take service at subtransmission or transmission voltage levels, the commission shall consider, to the greatest extent possible, the impact of the cost allocation on the economic viability of businesses in that rate class.

2. In determining the costs for the rate class of residential customers, the commission shall minimize, to the greatest extent possible, the impact on those customers.

The commission shall, as expeditiously as possible, issue an order in the proceeding initiated pursuant to this section. By January 10, 2026, the commission shall submit a report to the Joint Standing Committee on Energy, Utilities and Technology that summarizes the proceeding, includes any relevant data and includes any order issued by the commission. The committee may report out a bill to the Second Regular Session of the 132nd Legislature based on the report.'

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

SUMMARY

This amendment, which is the minority report of the committee, replaces the bill, which is a concept draft, and changes the title. It repeals provisions of law requiring the Public Utilities Commission to allocate to each investor-owned transmission and distribution utility its pro rata share of certain costs and instead requires the commission to allocate those costs by aggregating each rate class across both investor-owned transmission and distribution utilities. It requires the commission, within 14 days of the effective date this legislation, to initiate a proceeding to allocate net energy billing costs and the eligible costs and benefits associated with long-term contracts by aggregating each rate class across both investor-owned transmission and distribution utilities. The commission is required to submit a report by January 10, 2026 to the Joint Standing Committee on Energy, Utilities and Technology that summarizes the proceeding, including any relevant data and any order issued by the commission. The committee may report out a bill to the Second Regular Session of the 132nd Legislature based on the commission's report.

FISCAL NOTE REQUIRED

(See attached)