1	L.D. 13
2	Date: (Filing No. H-
3	ENERGY, UTILITIES AND TECHNOLOGY
4	Reproduced and distributed under the direction of the Clerk of the House.
5	STATE OF MAINE
6	HOUSE OF REPRESENTATIVES
7	129TH LEGISLATURE
8	SECOND REGULAR SESSION
9 10	COMMITTEE AMENDMENT " " to H.P. 14, L.D. 13, Bill, "An Act To Allow Microgrids That Are in the Public Interest"
11	Amend the bill by striking out all of section 2 and inserting the following:
12	'Sec. 2. 35-A MRSA c. 33-A is enacted to read:
13	CHAPTER 33-A
14	MICROGRIDS
15	§3351. Microgrids
16 17	1. Definitions. As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.
18 19 20	A. "Distributed energy resources" means small-scale electrical generation sources located close to where the generated electricity is used, energy storage resources energy efficiency resources or demand response resources.
21 22 23 24 25 26	B. "New microgrid" means a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the electric grid and can connect and disconnect from the electric grid to enable the new microgrid to operate in both electric grid-connected mode and nongrid-connected mode, referred to in this chapter as "island mode," and that is constructed after October 1, 2020.
27 28 29 30 31	2. Microgrids, public utility exception. Notwithstanding section 2102 or any other provision of this Title to the contrary, a person that constructs, maintains or operates a new microgrid approved under subsection 3 does not, solely as a result of furnishing service through that new microgrid to participating consumers, become a public utility and is not subject to regulation as a public utility under this Title.
32 33	3. Commission approval; requirements. A person may not construct or operate a new microgrid without commission approval in accordance with this subsection.

1 2 3	A. The commission shall approve a petition to construct and operate a new microgrid if the commission finds that operation of the new microgrid is in the public interest and the new microgrid meets at least the following requirements:
4 5	(1) The proposed new microgrid will serve a total load of no more than 25 megawatts;
6 7	(2) The proposed new microgrid is located in the service territory of a transmission and distribution utility with more than 50,000 customers;
8 9	(3) The distributed energy resources for the new microgrid meet the applicable portfolio requirements in section 3210, subsections 3, 3-A, 3-B and 3-C;
10 11	(4) The person proposing the new microgrid demonstrates that the person has secured the financial capacity to operate the proposed new microgrid;
12 13	(5) The person proposing the new microgrid demonstrates that the person has secured the technical capability to operate the proposed new microgrid;
14 15 16	(6) There is a contractual relationship between the proposed new microgrid operator and consumers within the area to be served by the proposed new microgrid; and
17 18	(7) The proposed new microgrid will not negatively affect the reliability and security of the electric grid.
19 20 21 22 23	For the purposes of this paragraph, when determining whether a proposed new microgrid is in the public interest, the commission shall consider possible ratepayer effects, whether positive or negative; benefits due to the increased resilience or reliability of the electric grid; economic development benefits; and any other factors the commission considers necessary to promote the public interest.
24	B. As a condition of approval of a new microgrid, the commission shall:
25 26 27 28	(1) Require that any increase in costs to the electric transmission and distribution system in the State as a result of the new microgrid must be fully recovered from the microgrid owner and customers of the microgrid and not passed on to other electric ratepayers; and
29 30 31 32 33 34	(2) Impose any other terms, conditions or requirements on the construction, maintenance or operation of the new microgrid as, in its judgment, it considers necessary, which may include but are not limited to parameters regarding the ability of the new microgrid to enter island mode, as defined by the commission by rule, and the operation of the new microgrid in grid-connected mode and island mode.
35 36 37 38	4. Commission oversight; grid protections; consumer protections. A new microgrid approved in accordance with subsection 3 is subject to commission oversight to ensure reliability and security of the electric grid and consumer protections for customers of the new microgrid.
39	5. Services. Services provided by a new microgrid may include, but are not limited

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- COMMITTEE AMENDMENT " to H.P. 14, L.D. 13 A. Standby electric service, as defined by the commission by rule, when the new 1 microgrid is operating in island mode; and 3 B. Selling electricity as a competitive electricity provider when the new microgrid is operating in grid-connected mode. 4 5 6. Rulemaking. The commission may adopt rules to implement this section. Rules adopted under this subsection are routine technical rules pursuant to Title 5, chapter 375, 6 subchapter 2-A.' 7
 - Amend the bill in section 3 in the 2nd line (page 3, line 5 in L.D.) by striking out the following: "15, 2021" and inserting the following: '18, 2022'

Amend the bill in section 3 in the last line (page 3, line 11 in L.D.) by striking out the following: "First" and inserting the following: 'Second'

Amend the bill by inserting after section 3 the following:

Precedent established by Public Utilities Commission. provisions of this Act may not be interpreted to modify or nullify the analytical framework and precedent for analyzing whether an entity is a transmission and distribution utility or a competitive electricity provider established by the Public Utilities Commission in opinions and orders issued prior to the effective date of this Act, including, but not limited to, opinions and orders issued under Docket Number 2000-653, Request for Commission Investigation Regarding the Plans of Boralex Stratton Energy, Inc. to Provide Electric Service Directly from Stratton Lumber Company and Docket Number 2011-200, ReEnergy Rumford, LLC, Request for Advisory Ruling.'

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

SUMMARY 24

This amendment makes the following changes to the bill:

- 1. Clarifies the definitions of "distributed energy resources" and "new microgrid";
- 2. Amends the requirements a microgrid must meet to be approved to: increase the maximum load from 10 to 25 megawatts; require that the microgrid be located in a service territory of a transmission and distribution utility with more than 50,000 customers; clarify the renewable portfolio requirements the new microgrid must meet; and remove the prohibition in the bill that a person owning or operating the new microgrid may not be an investor-owned utility or affiliate;
- 3. Adds a provision to require that any increases in costs to the electric transmission and distribution system in the State as a result of the new microgrid must be fully recovered from the microgrid owner and customers of the microgrid and not passed on to other electric ratepayers;
- 4. Updates the dates in the bill to reflect that the bill is being considered in 2020 rather than 2019; and
- 5. Adds language to clarify that this legislation does not modify or nullify the framework and precedent for analyzing whether an entity is a transmission and

COMMITTEE AMENDMENT " to H.P. 14, L.D. 13

l 2	distribution utility or a competitive electricity provider established by the Public Utilities Commission in related cases.
3	FISCAL NOTE REQUIRED
1	(See attached)

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