

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND AND SIXTEEN

H.P. 1061 - L.D. 1558

**An Act To Enable Low-income and Other Customers Greater Access To
Efficient Electric Heat Pumps through Unique Financing and Third-party
Installation and Maintenance**

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

Sec. 1. 35-A MRSA §3105 is enacted to read:

§3105. Heat pump program

Notwithstanding any other provision of law, a transmission and distribution utility may develop and implement, upon approval of the commission, a program within its service territory to enable customers to access the benefits of efficient electric heat pumps as set forth in this section and may advertise the availability of its program to its customers. The program may serve any customer but must target low-income customers, senior citizens, customers who are unable to finance the purchase of a heat pump, customers who reside in rental dwellings and small businesses. For purposes of this section, "efficient electric heat pump" means an electric heat pump that is consistent with eligibility criteria of the Efficiency Maine Trust, as established in section 10103, or criteria established by the commission by rule if the Efficiency Maine Trust does not establish such criteria. Rules adopted by the commission pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

1. Approval; activities of the utility. A transmission and distribution utility that elects to offer a program pursuant to this section must submit a proposed program to the commission for approval. The commission shall examine the proposed program and, if it finds the proposed program is reasonably designed and consistent with the provisions and program elements of this section, shall approve the program. Notwithstanding any provision of law limiting the amount of investment or revenue a utility may make or receive in a business venture separate from the delivery of electricity, all activities of a transmission and distribution utility under an approved program must be considered an unregulated business venture of the utility in accordance with section 713. The prudent costs associated with the program are recoverable only from customers participating in a program through just and reasonable rates and charges approved by the commission.

2. Program elements. A transmission and distribution utility may, subject to approval under subsection 1, elect to offer a program consistent with the program elements set forth under paragraph A or B, or both. Based on the best available information at the outset of the program, the overall energy costs to customers under a program must be expected to decrease as a result of participation in the program, as measured by the overall energy costs to customers over the lifespan of the efficient electric heat pumps, regardless of the source of energy, and the costs associated with participation in the program.

A. A transmission and distribution utility may offer incentives to customers participating in the program to acquire efficient electric heat pumps from 3rd-party sellers or installers to be used to reduce the total installation cost of such heat pumps.

B. A transmission and distribution utility may provide an efficient electric heat pump to a customer within its service territory who requests a heat pump and who elects not to purchase and install a heat pump due to income or other reasons. The utility may own the heat pump provided to a customer participating in the program and may charge the customer for the costs associated with providing and maintaining the heat pump. Any such program must meet the following requirements:

(1) If the participating customer is delinquent in payments under the program, the utility may undertake reasonable debt collection activities as approved by the commission and otherwise consistent with applicable law, but in no event may the customer's primary electric service be disconnected as a result of the customer's delinquency under the program nor may electric service to a heat pump serving as the only heating source for the customer be disconnected during the winter;

(2) The utility must allow participating customers to select a qualified 3rd-party heat pump seller and installer and must use qualified 3rd-party installers to maintain and repair the heat pumps provided to customers. To be qualified, an installer must be listed as a registered vendor by the Efficiency Maine Trust, as established in section 10103, for purposes of heat pump installations or determined qualified by the commission by rule if the Efficiency Maine Trust does not maintain a registry of vendors;

(3) The utility must provide participating customers with the option, through a plain language notice, to later buy the heat pump provided at reasonable terms approved by the commission;

(4) At any time, a participating customer may elect to have the customer's heat pump removed at no cost or penalty; and

(5) Before a customer elects to participate in the program, the customer must be provided a plain language notice comparing the costs of the program with the costs of directly purchasing a heat pump, including any applicable rebates or incentives available for purchasing such equipment.

3. Utility to provide information. A transmission and distribution utility that implements a program under this section shall, upon request from the commission, provide sufficient information to demonstrate that the program is meeting the

requirements of this section. In addition, the utility shall provide a triennial report to the commission outlining the degree to which the program is meeting the needs of customers, including the needs of customers required to be targeted under this section.

Nothing in this section is intended to limit the authority of the commission to establish electric distribution rates for customers participating in a program under this section.

Sec. 2. PL 2011, c. 637, §11, as amended by PL 2013, c. 369, Pt. G, §§1 and 2, is repealed.