

## §10111. Natural gas conservation program

**1. Program established.** In accordance with the goals and objectives of the triennial plan, the trust shall establish a cost-effective conservation program to promote the efficient use of natural gas. Each gas utility in the State shall contribute data and other relevant information to assist in the development of the program. In determining whether the program is cost-effective, the trust may consider whether it promotes sustainable economic development or reduces greenhouse gas emissions to the extent the trust can quantify or otherwise reasonably identify such effects. The trust shall encourage efficiency in natural gas use, provide incentives for cost-effective energy efficiency measures in the State and take into account the cost and benefits of energy efficiency and conservation to existing business activity in the State.

- A. The trust shall consider, without limitation, a natural gas conservation program that:
- (1) Increases consumer awareness of cost-effective options for conserving energy;
  - (2) Creates more favorable market conditions for the increased use of efficient products and services; and
  - (3) Promotes sustainable economic development and reduces environmental damage. [PL 2009, c. 372, Pt. B, §3 (NEW).]
- B. The trust shall apportion available funds such that:
- (1) A reasonable percentage of the available funds is directed to programs for low-income residential consumers, as defined by the trust. The trust shall establish the percentage based on an assessment of the opportunity for cost-effective conservation measures for such consumers, including an assessment of the number of low-income residential consumers that may be eligible for such programs;
  - (2) A reasonable percentage of the available funds is directed to programs for small business consumers, as defined by the trust. The trust shall establish the percentage based on an assessment of the opportunity for cost-effective conservation measures for such consumers. In defining "small business" for the purposes of this subparagraph, the trust shall consider definitions of that term used for other programs in this State that assist small businesses; and
  - (3) To the greatest extent practicable, the remaining available funds are apportioned in a manner that allows all other consumers to have a reasonable opportunity to participate in one or more conservation programs. [PL 2009, c. 372, Pt. B, §3 (NEW).]

[PL 2019, c. 313, §9 (AMD).]

**2. Natural gas conservation fund; procurement level.** The natural gas conservation fund, which is a nonlapsing fund, is established to carry out the purposes of this section. The commission ensure that gas utilities on behalf of their ratepayers procure through the trust the maximum achievable cost-effective natural gas energy efficiency and conservation resources pursuant to section 10104, subsection 4. The commission may issue any appropriate order to the gas utilities necessary to achieve the goals of this subsection, including the collection of funds for the procurement of cost-effective energy efficiency resources. The commission shall direct a gas utility that collects any funds under this subsection from a customer that is a large-volume manufacturer and large-volume agricultural business to collect the funds only on the first 1,000,000 centum cubic feet of natural gas used by that manufacturer or agricultural business in each year. The limitation on the collection of the funds from large-volume manufacturers and large-volume agricultural businesses may not affect the trust's determination of the amount necessary to capture all cost-effective energy efficiency that is achievable and reliable. The limitation does not prohibit the eligibility of a large-volume manufacturer or large-volume agricultural business to participate in a natural gas conservation program. All amounts collected under this subsection must be transferred to the natural gas conservation fund. Any interest

on funds in the fund must be credited to the fund. Funds not spent in any fiscal year remain in the fund to be used for the purposes of this section.

The funds collected from gas utilities under this section are just and reasonable costs for rate-making purposes and must be reflected in the rates of gas utilities.

All funds collected pursuant to this section are collected under the authority and for the purposes of this section and are deemed to be held in trust for the purposes of benefiting natural gas consumers. In the event funds are not expended or contracted for expenditure within 2 years of being collected from consumers, the commission shall ensure that the value of those funds is returned to consumers.

For purposes of this subsection, "large-volume manufacturer" means a customer that is a gas utility ratepayer engaged in manufacturing in the State and purchases at least 1,000,000 centum cubic feet of natural gas per year. For purposes of this subsection, "large-volume agricultural business" means a customer that is a gas utility ratepayer that purchases at least 1,000,000 centum cubic feet of natural gas per year and is engaged in the commercial growing or harvesting of plants or commercial aquaculture, as defined in Title 12, section 6001, subsection 1, in the State.

When determining the maximum achievable cost-effective natural gas energy efficiency resources, the commission shall apply the discount rate adopted by the trust and ensure that the calculations of avoided energy costs are consistent with rules adopted by the trust and are supported by evidence in the record. Avoided energy costs must include but are not limited to the retail value of natural gas supply including a wholesale risk premium and demand reduction induced price effects. The trust shall use, and the commission shall give deference to, values for each element of avoided energy cost from a regional avoided energy cost study as long as the analysis has been developed through a transparent process, with input from state agencies, public advocates, utilities or energy efficiency administrators from at least 3 other states in New England and the analysis has been published not more than 24 months prior to the trust's filing of the triennial plan. When values specific to the State are not available in the regional study, the trust may use, and the commission shall give deference to, regional values provided in that regional study or values determined from other sources when supported by evidence in the record.

Rules adopted by the commission under this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

[PL 2019, c. 313, §10 (AMD).]

**2-A. Exemption.** A wholesale electricity-generating facility that has a nameplate capacity of 3 megawatts or greater is not eligible to participate in any natural gas conservation program under this section. The commission may not allow a gas utility to collect an assessment under this section through its rates from a wholesale electricity-generating facility that has a nameplate capacity of 3 megawatts or greater.

[PL 2015, c. 425, §2 (NEW).]

**3. Rules.** The trust may adopt rules necessary to implement this section. Rules adopted by the trust under this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

[PL 2009, c. 372, Pt. B, §3 (NEW).]

**4. Effective date.** This section takes effect July 1, 2010.

[PL 2009, c. 372, Pt. B, §3 (NEW).]

#### SECTION HISTORY

PL 2009, c. 372, Pt. B, §3 (NEW). PL 2011, c. 637, §7 (AMD). PL 2013, c. 369, Pt. A, §25 (AMD). PL 2015, c. 425, §§1, 2 (AMD). PL 2017, c. 282, §3 (AMD). PL 2017, c. 358, §1 (AMD). PL 2019, c. 313, §§9, 10 (AMD).

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