**§3153-A. Public Utilities Commission to develop proposals to improve transmission and distribution utility rate design**

**1. Proposals and programs developed.**  The commission, as it determines appropriate, shall order transmission and distribution utilities to develop and submit specific rate design proposals and related programs for implementing energy conservation and energy efficiency techniques and innovations, either in conjunction with or independent of any rate-making proceeding pending before the commission. The proposals, as the commission determines, must be designed to encourage energy conservation, minimize the need for new transmission and distribution capacity, minimize costs of transmission and distribution service to consumers, minimize transmission and distribution rates over the long term or short term and take into account the needs of low-income customers. In approving a proposal under this section, the commission shall give equivalent consideration to the goals of minimizing costs and minimizing transmission and distribution rates to consumers. Proposals must include, but are not limited to, proposals that provide for the development and implementation of:

A. Load management techniques; [PL 1991, c. 253, §4 (AMD).]

B. Rates that reflect marginal costs of services at different voltages, times of day or seasons of the year, including long-run marginal costs associated with the construction of new transmission and distribution facilities; [PL 1999, c. 398, Pt. A, §58 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

C. [PL 1999, c. 398, Pt. A, §58 (RP); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

D. Rates or other regulatory policies that encourage transmission and distribution utility system reliability; [PL 1999, c. 398, Pt. A, §58 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

E. Transmission and distribution utility financing or subsidization of capital improvements undertaken by ratepayers to conserve electricity used by the ratepayers in the future. This paragraph applies to future programs for utility financing of energy conservation or load management as long as the goal of such programs is to economically defer or eliminate the need for transmission and distribution plant upgrades. In addition to programs undertaken pursuant to this paragraph, programs may be undertaken pursuant to section 10110 to achieve goals other than that identified in this paragraph; [RR 2009, c. 2, §103 (COR).]

F. As defined by the commission by rule, cost-effective conversions of electric space heat systems to systems relying on other fuels and other techniques for enabling homeowners and tenants to replace on-peak, winter period electric usage with less expensive sources of heat; [PL 1993, c. 402, §2 (AMD).]

G. Rates or bill payment assistance programs for residential customers who have been certified eligible for state or federal fuel assistance that take into account the difficulty these customers have paying in full for electric service or that target assistance to these customers in the most efficient manner, taking into account the necessity of maintaining electric service; and [PL 1993, c. 402, §2 (AMD).]

H. Rates that allow incremental use or maintenance of existing use when those rates serve to minimize rate levels for all transmission and distribution customers. In approving any proposal for rates that allow incremental use or maintenance of existing use, the commission shall seek to ensure that rates for all customer classes will be lower than they would have been had the commission not approved the proposal. [PL 1999, c. 398, Pt. A, §58 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

[RR 2009, c. 2, §103 (COR).]

**2. Hook-up fee prohibited.**

[PL 1993, c. 177, §1 (RP).]

**3. Implementation of rebate structures.**  The Public Utilities Commission may require a transmission and distribution utility to implement rebate structures for installation or upgrade of an electric service entrance to encourage energy efficient buildings and discourage energy inefficient buildings. In designing these programs, the commission shall give due consideration to safety.

[PL 1999, c. 398, Pt. A, §58 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

**4. Economic efficiency.**  In designing rates for transmission and distribution utilities, the commission shall set rates to the extent practicable to achieve economic efficiency.

[PL 2013, c. 369, Pt. F, §5 (NEW).]

SECTION HISTORY

PL 1987, c. 451, §2 (NEW). PL 1987, c. 769, §A142 (AMD). PL 1989, c. 246 (AMD). PL 1991, c. 253, §4 (AMD). PL 1993, c. 177, §1 (AMD). PL 1993, c. 402, §2 (AMD). PL 1999, c. 398, §A58 (AMD). PL 1999, c. 398, §§A104,105 (AFF). PL 2001, c. 624, §2 (AMD). RR 2009, c. 2, §103 (COR). PL 2013, c. 369, Pt. F, §5 (AMD).

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