

## Office of Policy and Legal Analysis

Date: March 25, 2021  
To: Joint Standing Committee on Energy Utilities and Technology  
From: Deirdre Schneider, Legislative Analyst  
Re: LD 170, An Act Pertaining to Transmission Lines Not Needed for Reliability or Local Generation

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### Summary

This bill establishes requirements for the approval of construction of nonessential transmission lines by the Public Utilities Commission when a transmission and distribution utility is seeking a certificate of public convenience and necessity.

The bill defines "nonessential transmission line" as

- A transmission line that is not being constructed primarily for reliability purposes; or
- To serve retail customers in the State.

It also specifies that a generator interconnection transmission facility is not a nonessential transmission line.

It requires that when a transmission and distribution utility petitioning for commission approval for a nonessential transmission line, the utility is required to demonstrate that the petitioner agrees to provide a minimum benefit to ratepayers in the State of equal value to the ratepayer-funded physical assets used to construct the nonessential transmission line.

The bill also requires the commission to conduct an inquiry to determine statutory or rule changes needed to ensure that nonessential transmission lines are built in the most competitive and cost-effective manner and with consideration given to ratepayer benefits and greenhouse gas reduction goals and to report the results of the inquiry to the Joint Standing Committee on Energy, Utilities and Technology.

Lastly, it repeals two subsections of law that are remnants of a law that was repealed (35-A MRSA §122).

### History

The committee amendment for LD 2097 during the 129<sup>th</sup> Legislature is the same as this bill. That bill was reported out of committee with a divided report (OTP-AM/ONTP) and died upon adjournment.

### List of People that Submitted Written Testimony and/or Spoke at the Hearing

**Proponents:** Representative Grohoski (Sponsor); Senator Bennett (co-sponsor); Charlene Cummings; Antonio Blasi; David Gideon, Sierra Club Maine; Sue Ely, NRCM; Tom Saviello; Adam Cote; and Barry Hobbins, OPA

**Opponents:** Dan McKay

**Neither for nor against:** Garrett Corbin, PUC; Melissa Winne (Dan Burgess), GEO; Sean Mahoney, CLF; Tony Buxton, IECG; Kathleen Meil, Maine Conservation Voters; Jim Mitchell, CMP; James Cote, Versant Power; and Jeremy Payne, MREA

## Possible Amendments

- **Sponsor amendment offered by Representative Grohoski** – In testimony, Representative Grohoski expressed amending the definition of nonessential transmission line to not include transmission lines constructed primarily, as determined by the commission to meet the goals for consumption of electricity from renewable resources established in section 3210 subsection 1-A and to deliver electricity from a source of electrical generation that is constructed to meet portfolio requirements established in section 3210.
- Sue Ely, NRCM (Support)
  - Revise the definition of nonessential transmission lines to also exclude transmission lines used to connect in-state renewable energy projects and projects supporting Maine’s clean energy goals (this may be covered by the sponsor’s amendment); and
  - Clarify how the PUC should identify and value ratepayer-funded physical assets.

## Issues Raised in Testimony

- Of those testifying NFNA some expressed concern about unintended consequences if this bill were to move forward, including impeding clean energy deployment; its impact on regional planning and if this would be contradictory to ISO-NE planning/collaboration and socialization of costs for reliability projects. Some also expressed the lack of clarity in how the PUC would conduct the analysis of the value of existing infrastructure and what qualifies as the ‘ratepayer-funded assets’ for any one project given the interconnected nature of the electricity grid.
- There are other means to assure public benefit from transmission lines such as the energy infrastructure corridor statute that has been repealed.
- Garrett Corbin, PUC (NFNA)
  - Requests the committee be mindful of the timing of the stakeholder process given the existing priorities for 2021 and the limited resources of the commission in midst of major proceedings already in process.
  - Commission’s inquiry into grid modernization will consider “nonessential” transmission line issues (Docket 2021-00039)

## Fiscal Impact

- No yet received; however, the fiscal note for LD 2097 from the 129<sup>th</sup> Legislature, which is the same as this bill did have a fiscal note that specified the bill would result in a minor cost increase - Other Special Revenue Funds, but were anticipated to be absorbed within existing budgeted resources.

## Reference

This bill repeals 2 subsections of law, that should have been repealed when 35-A MRSA § 122 (Energy infrastructure corridors. For reference the language repealed is below.

### 35-A MRSA § 3132(6-A)

- **6-A. High-impact electric transmission line; certificate of public convenience and necessity.** The commission shall evaluate and render a decision on any petition for a certificate of public convenience and necessity for a high-impact transmission line in accordance with section 122, subsection 1-D.

### 35-A § 3131(4-A)

**4-A. High-impact electric transmission line.** "High-impact electric transmission line" means a transmission line greater than 50 miles in length that is not located in a statutory corridor, as defined in section 122, subsection 1, paragraph F-4, or a petitioned corridor, as defined in section 122, subsection 1, paragraph D-1, and that is:

A. Constructed to transmit direct current electricity; or

B. Capable of operating at 345 kilovolts or more and:

- (1) Is not a generator interconnection transmission facility as defined in section 3132, subsection 1-B; and
- (2) Is not constructed primarily to provide electric reliability, as determined by the commission.