130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

An Act To Advance Energy Storage in Maine

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DAREK M. GRANT
Secretary of the Senate

Presented by Senator VITELLI of Sagadahoc.
Cosponsored by Representative GROHOSKI of Ellsworth and
Be it enacted by the People of the State of Maine as follows:

Sec. 1. 35-A MRSA §3145 is enacted to read:

§3145. State energy storage policy goals

The state goal for energy storage system development is 100 megawatts of installed capacity located within the State by December 31, 2025. For the purposes of this section, "energy storage system" has the same meaning as in section 3481, subsection 6.

Sec. 2. 35-A MRSA §10102, sub-§5-A is enacted to read:

5-A. Energy storage system. "Energy storage system" has the same meaning as in section 3481, subsection 6.

Sec. 3. 35-A MRSA §10109, sub-§4, ¶A, as amended by PL 2019, c. 69, §1, is further amended to read:

A. Trust funds must be allocated for measures, investments, loans, technical assistance and arrangements that reduce electricity consumption, increase energy efficiency or reduce greenhouse gas emissions and lower energy costs at commercial or industrial facilities and for investment in measures that lower residential heating energy demand and reduce greenhouse gas emissions. The measures that lower residential heating demand must be fuel-neutral and may include, but are not limited to, energy efficiency improvements to residential buildings, energy storage systems and upgrades to efficient heating systems that will reduce residential energy costs and greenhouse gas emissions, as determined by the board. The trust shall ensure that measures to reduce the cost of residential heating are available for low-income households as defined by the trust. When promoting electricity cost and consumption reduction, the trust may consider measures at commercial and industrial facilities that also lower peak capacity demand, including energy storage systems. Subject to the apportionment pursuant to this subsection, the trust shall fund conservation programs that give priority to measures with the highest benefit-to-cost ratio, as long as cost-effective collateral efficiency opportunities are not lost, and that:

(1) Reliably reduce greenhouse gas production and heating energy costs by fossil fuel combustion in the State at the lowest cost in funds from the trust fund per unit of emissions; or
(2) Reliably increase the efficiency with which energy in the State is consumed at the lowest cost in funds from the trust fund per unit of energy saved.

Sec. 4. 35-A MRSA §10110, sub-§2, ¶A, as amended by PL 2019, c. 365, §3, is further amended by amending subparagraph (4) to read:

(4) Reduce the price of electricity over time for all consumers by achieving reductions in demand for electricity during peak use periods, including by the implementation of beneficial electrification and energy storage systems; and

Sec. 5. Efficiency Maine Trust; energy storage measures. The Efficiency Maine Trust shall explore and evaluate options to expand existing opportunities and develop new opportunities to support energy storage measures that reduce peak demand, through its electric efficiency and conservation programs established pursuant to the Maine Revised Statutes, Title 35-A, section 10110 and its programs funded by the Regional
Greenhouse Gas Initiative Trust Fund established in Title 35-A, section 10109. In
evaluating the cost-effectiveness of energy storage measures, the trust shall explore various
methods and tests to measure cost-effectiveness. In fulfilling the duties of this section, the
trust shall consider:

1. Expanding energy storage pilot projects within the trust's innovation pilot program
and implementing any cost-effective pilot projects as statewide programs;

2. Bring-your-own-device programs in which customer-owned and customer-sited
battery storage is aggregated and performance incentives are provided for reducing load at
times of system peak;

3. Rebate or funding programs for energy storage paired with renewable energy for
residential, commercial and industrial electricity customers; and

4. Customer education initiatives regarding demand management and energy storage,
including education targeted to low-income and rural populations in the State.

The trust shall report on its activities under this section, including its efforts with
respect to bring-your-own-device programs, in the trust's annual report due December 1,
2021 pursuant to the Maine Revised Statutes, Title 35-A, section 10104, subsection 5.

Sec. 6. Public Utilities Commission; rate design and energy storage. The
Public Utilities Commission shall investigate and, where appropriate, implement
transmission and distribution utility rate designs that account for variation in the cost
components of electricity as the load or demand on the electricity system fluctuates. The
commission shall take the following specific steps to address rate design and energy
storage:

1. Open a docket to investigate opportunities to modernize transmission and
distribution utility rate designs through time-of-use or other time-differentiated rates that
send appropriate price signals and incentives to consumers to reduce demand during peak
periods and develop and implement a pilot program to test and evaluate time-of-use rates
in conjunction with energy storage; and

2. Develop and implement a schedule for regular review and update of transmission
and distribution utility rate designs, including consideration of fixed charges, and ensure
that the review includes consideration of time-differentiated rates.

SUMMARY

This bill:

1. Establishes a state goal for energy storage system development of 100 megawatts
of installed capacity located within the State by December 31, 2025;

2. Amends the laws governing the Efficiency Maine Trust to ensure that the trust's
authority explicitly and affirmatively includes energy storage by adding direct references
to energy storage in relevant sections of statute; directs the trust to consider expanding
opportunities to use energy storage to reduce peak electricity demand; and directs the trust
to explore alternative methods to demonstrate cost-effectiveness for energy storage projects
or programs; and

3. Directs the Public Utilities Commission to investigate opportunities to modernize
transmission and distribution utility rate designs through time-of-use or other time-
differentiated rates; develop and implement a pilot program to test and evaluate time-of-use rates in conjunction with energy storage; and develop and implement a schedule for regular review and update of rate designs and ensure that the review includes consideration of time-differentiated rates.