ENERGY, UTILITIES AND TECHNOLOGY

State of Maine
House of Representatives
131st Legislature
First Special Session

Committee Amendment “ ” to H.P. 347, L.D. 542, “An Act to Comprehensively and Equitably Reform Electricity Rates”

Amend the bill by striking out the title and substituting the following:

'An Act to Reform Electricity Rates'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 35-A MRSA §301-A is enacted to read:

§301-A. Performance-based ratemaking

The commission may establish for a transmission and distribution utility with over 50,000 customers a multiyear rate plan that includes rate-adjustment mechanisms authorized under section 3195, including, but not limited to, positive and negative financial incentives relating to the success or failure of the utility meeting the goals established in accordance with this section.

1. Performance goals. Under the multiyear rate plan, the commission shall establish goals for the transmission and distribution utility, that may include, but are not limited to, the following:

A. The metrics established by the commission in accordance with section 301, subsection 1-A, paragraph A; and

B. Standards established by the commission by rule pertaining to utility operations and activities in the following categories:

(1) Efforts to increase grid resiliency, including, but not limited to, facilitating the development and interconnection of distributed generation resources and grid security; and

(2) Measures taken to encourage peak load reduction and beneficial load-shaping.

2. Evaluation of performance. The commission shall require a transmission and distribution utility to provide data necessary to determine if the utility has met the goals
established under subsection 1 and shall evaluate the utility's performance. If a utility does
not meet a goal established under subsection 1 and is subject to a negative financial
incentive, the commission shall provide an opportunity for the utility to demonstrate good
cause for its failure to meet the goal and, if the commission finds good cause, the
commission may modify or eliminate the negative financial incentive in accordance with
its finding.

3. Rulemaking. The commission shall adopt rules to implement this section. Rules
adopted under this subsection are routine technical rules as defined in Title 5, chapter 375,
subchapter 2-A.

Sec. 2. 35-A MRSA §3195, sub-§1, ¶D, as enacted by PL 1991, c. 413, §1 and
affected by §2, is amended to read:

D. Positive or negative financial incentives for efficient operations or for meeting or
failing to meet goals and standards established by the commission pursuant to this Title.

Sec. 3. Time-of-use rates; report. The Public Utilities Commission shall
investigate the feasibility of requiring:

1. Standard-offer service to include a time-of-use rate option, including whether the
commission recommends the use of a pilot program to assess this option; and

2. All investor-owned transmission and distribution utilities to offer a time-of-use rate
for the delivery of electricity for all customer classes that would complement a time-of-use
supply rate.

No later than January 15, 2024, the commission shall submit a report to the Joint
Standing Committee on Energy, Utilities and Technology that includes a summary of the
commission's investigation along with any findings and recommendations related to the
report. The committee may report out a bill to the Second Regular Session of the 131st
Legislature.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
number to read consecutively.

SUMMARY

This amendment replaces the bill, which is a concept draft, and changes the title. It
allows the Public Utilities Commission to establish for any transmission and distribution
utility with over 50,000 customers a multiyear rate plan that includes rate-adjustment
mechanisms including financial incentives relating to the success or failure of the utility to
meet established goals. The commission must require a utility subject to a multiyear rate
plan to provide data to the commission necessary to determine if the utility is meeting the
established goals. A utility that fails to meet an established goal is subject to a negative
financial incentive unless the commission finds good cause for such failure, in which case
the commission may modify or eliminate the negative financial incentive.

The amendment also directs the commission to investigate the feasibility of requiring
standard-offer service to include time-of-use rates and requiring all investor-owned
transmission and distribution utilities to offer a time-of-use rate for the delivery of
electricity for all customer classes that would complement a time-of-use supply rate. The
commission is required to provide a report summarizing its investigation to the Joint Standing Committee on Energy, Utilities and Technology by January 15, 2024.

FISCAL NOTE REQUIRED

(See attached)