ENERGY, UTILITIES AND TECHNOLOGY

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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 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 conduct an analysis of rate design options to achieve peak load reduction and beneficial electrification, including, but not limited to, time-varying rates, seasonal rates and peak-time rebates for both distribution and standard-offer service. No later than January 15, 2024, the commission shall submit a report to the Joint Standing Committee on Energy, Utilities and Technology that includes its analysis and a summary of the commission's investigation along with any findings and recommendations. 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 to conduct an analysis of rate design options to achieve peak load reduction and beneficial electrification. The commission is required to provide a report including its analysis and a summary of its investigation to the Joint Standing Committee on Energy, Utilities and Technology by January 15, 2024.

FISCAL NOTE REQUIRED

(See attached)