

STATE OF MAINE

**IN THE YEAR OF OUR LORD
TWO THOUSAND AND FIFTEEN**

H.P. 863 - L.D. 1263

**Resolve, To Create Sustainable Growth in Maine's Distributed Energy Sector
That Uses Market Forces To Fairly Compensate Energy Producers**

Preamble. **Whereas**, the Legislature finds that net energy billing is a simple mechanism that has supported the development of distributed generation in Maine, but net energy billing may not provide a suitable long-term foundation for distributed generation; and

Whereas, the Legislature finds that it is in the public interest to develop an alternative to net energy billing that fairly and transparently allocates the costs and benefits of distributed generation to all customers, allows participation by all customers and creates a sustainable platform for future growth of distributed generation to the benefit of all ratepayers; and

Whereas, the Legislature finds that the policy structure described within the Office of the Public Advocate's white paper entitled "A Ratepayer Focused Strategy for Distributed Solar in Maine" merits further exploration; now, therefore, be it

Sec. 1. Stakeholder discussions. Resolved: That the Public Utilities Commission shall, using existing resources, convene a stakeholder group to develop an alternative to net energy billing, as defined in the Maine Revised Statutes, Title 35-A, section 3209-A. To the maximum extent possible, the recommendations from this group must reflect consensus among the stakeholders. In developing an alternative, the commission shall:

1. Ensure the alternative includes fixed, long-term compensation mechanisms for distributed generation that, when feasible, obtain the best price for ratepayers using market-based competition or capacity-based step downs, as described in the Office of the Public Advocate's white paper entitled "A Ratepayer Focused Strategy for Distributed Solar in Maine," and ensure the maximum level of compensation for a given technology does not exceed the ratepayer benefits as determined by a commission evaluation of the specific benefits of that technology;

2. Develop at least 3 aggregate market size scenarios representing low, medium and high estimates of the total installed capacity that would be developed under existing rate structures if net energy billing were to continue through 2021;
3. Ensure the alternative provides opportunities for meaningful participation by all market segments identified in the Office of the Public Advocate's white paper, including residential, commercial, industrial, community and wholesale or grid-scale solar distributed generation;
4. Include a method to aggregate, capture and monetize for ratepayers the benefits of distributed generation assets, including, but not limited to, benefits related to energy supply, capacity and renewable energy credits, in order to maximize revenues for aggregation to all ratepayers and identify the appropriate entity to initially serve as an aggregator, while providing for the opportunity for 3rd-party aggregation at a future date; and
5. Develop a process and timeline for transition from current net energy billing policies to the alternative that address the following:
 - A. The continued availability of net energy billing pending an assessment of the alternative, or until such date as the commission may recommend;
 - B. Options for participation by existing net energy billing customers in the alternative; and
 - C. Continuing opportunities for self-consumption by distributed generation customers once the alternative is fully implemented; and be it further

Sec. 2. Report. Resolved: That the Public Utilities Commission shall submit a report to the Joint Standing Committee on Energy, Utilities and Technology by January 30, 2016 that includes an overview of the stakeholder discussions; an overview of the alternative under section 1; any areas in which stakeholders were unable to reach consensus; technical specifications, rules or policies needed to carry out the alternative; a proposed timeline for implementation of the alternative; technical or legal barriers to implementation of the alternative; and any other recommendations. The committee may report out a bill to the Second Regular Session of the 127th Legislature related to the report.