An Act Requiring the Public Utilities Commission to Adopt Rules Promoting Renewable Energy

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

Presented by Representative WARREN of Scarborough.
Be it enacted by the People of the State of Maine as follows:

Sec. 1. 35-A MRSA §2112 is enacted to read:

§2112. Energy transformation projects

1. Definition. As used in this section, unless the context otherwise indicates, "energy transformation project" means an undertaking that provides energy-related goods or services but does not include the generation of electricity and that results in a net reduction in fossil fuel consumption by the customers of a retail electricity provider and in the emission of greenhouse gases attributable to that consumption.

2. Energy transformation projects. The commission shall adopt rules to incentivize participation by competitive electricity providers and others in energy transformation projects, including projects that support:

A. Home weatherization or other thermal energy efficiency measures;
B. Air source or geothermal heat pumps;
C. High-efficiency heating systems;
D. Increased use of biofuels;
E. Biomass heating systems;
F. Transportation demand management strategies;
G. Electric vehicles or related infrastructure; or
H. Infrastructure for the storage of renewable energy on the electric grid.

Sec. 2. 35-A MRSA §3110 is enacted to read:

§3110. Social cost of carbon

1. Definition. As used in this section, unless the context otherwise indicates, "social cost of carbon" means an estimate, in dollars, of the economic damages that would result from emitting one additional ton of carbon dioxide into the atmosphere.

2. Commission rules or rate-making decisions. In adopting a rule regarding electric rates or a rate-making decision, the commission shall consider the social cost of carbon.

Sec. 3. 35-A MRSA §3196 is enacted to read:

§3196. Commission authority to promote distributed energy resources

The commission shall promote the use of distributed energy resources. As used in this section, "distributed energy resources" means a nonemitting electric generation or renewable resource or program that reduces electric demand, manages the level or timing of electricity consumption or provides storage, electric energy, capacity or ancillary services to an electric utility and that is located on the distribution system, any subsystem of the distribution system or on the consumer's side of the meter.

Sec. 4. 35-A MRSA §3210, sub-§8, as amended by PL 2019, c. 477, §1, is further amended to read:

8. Credit trading. The commission shall allow competitive electricity providers to satisfy the portfolio requirements of subsections 3, 3-A, 3-B and 3-C through the use of
renewable energy credits if the commission determines that a reliable system of electrical attribute trading exists. The commission shall adopt rules to implement a reliable system of electrical attribute trading. When renewable energy credits are used to satisfy the portfolio requirements of subsections 3 and 3-A, the value of a renewable energy credit for electricity generated by a community-based renewable energy project, as defined in section 3602, that is participating in the community-based renewable energy pilot program established in section 3603 and elects the renewable energy credit multiplier under section 3605 is 150% of the amount of the electricity. A competitive electricity provider that does not satisfy the portfolio requirements as required in this section is subject to an administrative penalty in the amount of $100 per ton of carbon emitted annually from sources that do not satisfy the portfolio requirements. Rules adopted pursuant to this subsection are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A.

SUMMARY

This bill requires the Public Utilities Commission to adopt rules to incentivize participation by competitive electricity providers and others in energy transformation projects, to adopt rules implementing a reliable system of electrical attribute trading, to promote the use of distributed energy resources and to consider the social cost of carbon in ratemaking and adopting rules.