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S.P. 213

In Senate, February 24, 2021

An Act To Advance Energy Storage in Maine

Received by the Secretary of the Senate on February 22, 2021. Referred to the Committee on Energy, Utilities and Technology pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator VITELLI of Sagadahoc.
Cosponsored by Representative GROHOSKI of Ellsworth and
Senator: LAWRENCE of York, Representatives: HEPLER of Woolwich, KESSLER of South
Portland, WOOD of Portland.

1 **Be it enacted by the People of the State of Maine as follows:**

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

3 **§3145. State energy storage policy goals**

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

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

8 **5-A. Energy storage system.** "Energy storage system" has the same meaning as in
9 section 3481, subsection 6.

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

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

28 (1) Reliably reduce greenhouse gas production and heating energy costs by fossil
29 fuel combustion in the State at the lowest cost in funds from the trust fund per unit
30 of emissions; or

31 (2) Reliably increase the efficiency with which energy in the State is consumed at
32 the lowest cost in funds from the trust fund per unit of energy saved.

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

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

38 **Sec. 5. Efficiency Maine Trust; energy storage measures.** The Efficiency
39 Maine Trust shall explore and evaluate options to expand existing opportunities and
40 develop new opportunities to support energy storage measures that reduce peak demand,
41 through its electric efficiency and conservation programs established pursuant to the Maine
42 Revised Statutes, Title 35-A, section 10110 and its programs funded by the Regional

1 Greenhouse Gas Initiative Trust Fund established in Title 35-A, section 10109. In
2 evaluating the cost-effectiveness of energy storage measures, the trust shall explore various
3 methods and tests to measure cost-effectiveness. In fulfilling the duties of this section, the
4 trust shall consider:

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

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

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

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

14 The trust shall report on its activities under this section, including its efforts with
15 respect to bring-your-own-device programs, in the trust's annual report due December 1,
16 2021 pursuant to the Maine Revised Statutes, Title 35-A, section 10104, subsection 5.

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

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

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

31 SUMMARY

32 This bill:

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

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

41 3. Directs the Public Utilities Commission to investigate opportunities to modernize
42 transmission and distribution utility rate designs through time-of-use or other time-

1 differentiated rates; develop and implement a pilot program to test and evaluate time-of-
2 use rates in conjunction with energy storage; and develop and implement a schedule for
3 regular review and update of rate designs and ensure that the review includes consideration
4 of time-differentiated rates.