

§3209-C. Net energy billing cost recovery

The commission shall ensure that benefits of distributed generation under net energy billing are reported and net energy billing costs are allocated in accordance with this section. [PL 2023, c. 411, §5 (NEW).]

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Benefits of distributed generation under net energy billing" means all benefits determined by the commission to be reasonably attributable to distributed generation projects under sections 3209-A and 3209-B, including but not limited to:

- (1) Avoided energy and capacity costs. In determining avoided energy and capacity costs, the commission shall use reasonable estimates of energy and capacity market prices and account for transmission and distribution line losses. The commission may determine different avoided costs for different time periods, including, but not limited to, peak and off-peak periods and summer and winter periods;
- (2) Avoided transmission and distribution costs. In determining avoided transmission and distribution costs, the commission shall use estimates of the marginal transmission and distribution costs and may determine different avoided costs for different time periods;
- (3) Avoided fossil fuel costs. The commission shall determine avoided fossil fuel costs based on estimated reductions in oil, gas or other fossil fuel use and estimated market prices for these fuels;
- (4) Avoided transmission and distribution line losses;
- (5) Demand reduction induced price effects;
- (6) Transmission and distribution plant extensions or upgrades funded by net energy billing customers; and
- (7) Any other benefits identified by the commission. [RR 2023, c. 2, Pt. A, §55 (COR).]

B. "Net energy billing" means net energy billing arrangements under section 3209-A or 3209-B. [PL 2023, c. 411, §5 (NEW).]

C. "Net energy billing costs" means all legitimate and verifiable costs incurred by a transmission and distribution utility directly attributable to net energy billing. "Net energy billing costs" does not include any costs incurred by a project sponsor as defined in section 3209-A, subsection 1, paragraph D, a net energy billing customer or any other entity, as determined by the commission by rule. [PL 2023, c. 411, §5 (NEW).]

[RR 2023, c. 2, Pt. A, §55 (COR).]

2. Determination of costs and benefits. The commission annually shall determine the net energy billing costs and benefits of distributed generation under net energy billing for the previous year.

A. When determining the benefits of distributed generation under net energy billing, the commission shall use any available regional avoided energy supply cost study that the commission finds to be applicable to the determination and has been developed through a transparent process, with input from state agencies, public advocates and utilities or energy efficiency administrators from at least 3 other states in New England. When relevant information specific to this State is not provided in the regional study, the commission may use the regional information in the regional study or information from other sources supported by evidence in the commission's record. [PL 2023, c. 411, §5 (NEW).]

B. The commission shall allocate to each investor-owned transmission and distribution utility its pro rata share of net energy billing costs. If the commission finds that a benefit of distributed generation under net energy billing provides a monetized net financial benefit to an investor-owned transmission and distribution utility that the commission does not otherwise account for when setting rates for the utility, the net financial benefit must be applied to offset the net energy billing costs allocated under this paragraph. The allocation must be based on each utility's total retail kilowatt-hour energy sales to ratepayers that pay net energy billing costs. The commission may determine the means to be used for the allocation required under this subsection, and those means may include the direct transfer of funds between transmission and distribution utilities. [PL 2023, c. 411, §5 (NEW).]

[PL 2023, c. 411, §5 (NEW).]

3. Reporting of costs and benefits. The commission shall submit an annual report no later than March 31st to the joint standing committee of the Legislature having jurisdiction over utilities matters describing net energy billing costs and benefits of distributed generation under net energy billing determined by the commission under subsection 2. The report must include, but is not limited to, costs authorized to be collected by transmission and distribution utilities in rates and benefits directly received by ratepayers. The commission shall distinguish costs and benefits that are monetized from costs and benefits that are not monetized. If costs or benefits are monetized, the commission shall specify the entities to which the monetized value accrues, which may include, but are not limited to, electricity customers, electricity supply providers and transmission and distribution utilities.

[PL 2023, c. 411, §5 (NEW).]

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

[PL 2023, c. 411, §5 (NEW).]

SECTION HISTORY

PL 2023, c. 411, §5 (NEW). RR 2023, c. 2, Pt. A, §55 (COR).

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