



126th MAINE LEGISLATURE

LD 1559

LR 2160(06)

An Act To Reduce Energy Costs, Increase Energy Efficiency, Promote Electric System Reliability and Protect the Environment

Fiscal Note for Bill as Engrossed with:

H "A" (H-350)

Committee: Not Referred

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Appropriations/Allocations				
Other Special Revenue Funds	\$1,500,000	\$1,500,000	\$1,500,000	\$0
Revenue				
Other Special Revenue Funds	\$1,500,000	\$1,500,000	\$1,500,000	\$0

Fiscal Detail and Notes

Part A reduces the Department of Transportation's share of revenue from energy infrastructure corridors from 90% to 20% of the total and increases the Efficiency Maine Trust's share from 10% to 80%. No funding for the Department of Transportation's Secondary Road Program Fund is currently budgeted or allocated related to this revenue, so no revenue or allocation adjustments are required.

Part A also changes the assessment for electric conservation and efficiency programs from 0.145¢ per kilowatt hour to an amount built into utility rates that does not exceed 4% of total retail electricity transmission and distribution sales in the State to fund these programs effective July 1, 2015. The potential increase in the amount of the future assessments cannot be estimated at this time. After the transition of the assessment, if the Public Utilities Commission orders the assessment to accrue directly to the Efficiency Maine Trust, the Other Special Revenue Funds allocations required to make the transfer of revenue collected by the Public Utilities Commission to the Efficiency Maine Trust will be significantly reduced. Part I includes the adjustments to Other Special Revenue Funds allocations.

Part A also reallocates the revenue received in the Regional Greenhouse Gas Initiative Trust Fund to the Public Utilities Commission in fiscal years 2013-14, 2014-15 and 2015-16. The Efficiency Maine Trust is directed to spend 35% of these revenues for residential heating solutions. It also requires that 15% of these revenues be transferred to the Public Utilities Commission. Based on projected total receipts of approximately \$10 million annually during this period, the commission will require additional allocations of \$1,500,000 each year to authorize the expenditures of these funds, which must be disbursed by transmission and distribution utilities to ratepayers in a manner that provides maximum benefit to the Maine economy.

Part A also directs transmission and distribution utilities that receive settlement funds from litigation related to the decommissioning costs of the Maine Yankee Atomic Power Company to pay 55% of those funds to the Efficiency Maine Trust in fiscal years 2013-14 and 2014-15, estimated to be approximately \$9,350,000 in fiscal year 2013-14 and \$7,150,000 in fiscal year 2014-15, to be used for electric efficiency and conservation programs. In fiscal year 2015-16 a fixed amount of \$2,000,000 of these settlement funds must be paid to the trust for these same programs.

Part B establishes an Energy Cost Reduction Trust Fund at the Public Utilities Commission. The amount of revenue that may accrue to this Other Special Revenue Funds account can not be estimated at this time. Amounts in this trust fund can be used for the costs of administering an energy cost reduction contract or for utilities to reduce energy costs of electricity and natural gas ratepayers.

The Department of Environment Protection will incur additional costs to develop a regional greenhouse gas initiative offset category for fuel switching. The department has sufficient existing funding to implement this requirement without additional resources.

The Public Utilities Commission will incur some additional administrative costs associated with the new requirements and reporting in several review and approval processes in this bill. The commission can absorb these additional costs within existing budgeted resources.

The Office of the Public Advocate and the Governor's Energy Office can absorb the future additional costs associated with consultation in the process of the Public Utilities Commission execution of an energy cost reduction contract in Part B. These costs can be absorbed within the office's existing budgeted resources.