



131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1888

S.P. 763

In Senate, May 4, 2023

**An Act to Reduce Electricity Costs for Maine's Consumers and
Businesses by Amending the Laws Governing Renewable Resources**

(EMERGENCY)

Reference to the Committee on Energy, Utilities and Technology suggested 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 GROHOSKI of Hancock.
Cosponsored by Representative WARREN of Scarborough and
Representative: KESSLER of South Portland.

1 **Emergency preamble.** Whereas, acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** this legislation needs to take effect before the expiration of the 90-day
4 period in order to achieve savings for electricity ratepayers, who are experiencing extreme
5 rate increases, as soon as possible; and

6 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
7 the meaning of the Constitution of Maine and require the following legislation as
8 immediately necessary for the preservation of the public peace, health and safety; now,
9 therefore,

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

11 **Sec. 1. 35-A MRSA §3210, sub-§2, ¶A-1,** as amended by PL 2019, c. 477, §1, is
12 further amended to read:

13 A-1. "Alternative compliance payment rate" means a certain dollar amount per
14 kilowatt-hour set by the commission that a competitive electricity provider may pay to
15 the commission to satisfy the portfolio requirements of subsections 3, 3-A, 3-B and
16 3-C.

17 **Sec. 2. 35-A MRSA §3210, sub-§9,** as amended by PL 2021, c. 199, §1, is further
18 amended to read:

19 **9. Alternative compliance payment.** The commission shall allow competitive
20 electricity providers to satisfy the portfolio requirements for Class I resources under
21 subsection 3-A, Class IA resources under subsection 3-B ~~and~~, thermal renewable energy
22 credits under subsection 3-C and Class II resources under subsection 3 through an
23 alternative compliance payment mechanism in accordance with this subsection.

24 A. The commission shall set the alternative compliance payment ~~rate~~ rates by rule,
25 which may not be greater than \$50 for the requirements under subsections 3-A, 3-B
26 and 3-C and not greater than \$5 for the requirement under subsection 3, and shall
27 publish the alternative compliance payment ~~rate~~ rates by ~~January 31st~~ November 1st
28 of each the preceding year. In setting the ~~rate~~ rates, the commission shall take into
29 account prevailing market prices, historical prices, standard-offer service prices for
30 electricity, reliance on alternative compliance payments to meet the requirements of
31 subsections 3, 3-A, 3-B and 3-C and investment in Class I and Class IA resources and
32 thermal renewable energy credits in the State during the previous calendar year,
33 including investments that may affect the availability or price of Class II resources. In
34 setting the alternative compliance payment rate for Class II resources, the commission
35 shall balance the costs to ratepayers in the State with the interest of Class II resource
36 investors in receiving a reasonable return on their investment.

37 B. The commission shall collect alternative compliance payments to meet the
38 requirements of subsections 3, 3-A and 3-B made by competitive electricity providers
39 and shall deposit all funds collected under this paragraph in the Energy Efficiency and
40 Renewable Resource Fund established under section 10121, subsection 2 to be used to
41 fund research, development and demonstration projects relating to renewable energy
42 technologies and to fund rebates for cost-effective renewable energy technologies.

1 C. The commission shall collect alternative compliance payments to meet the
2 requirements of subsection 3-C made by competitive electricity providers and shall
3 deposit all funds collected under this paragraph in the Thermal Energy Investment
4 Fund established under section 10128, subsection 2 to be used to fund incentives and
5 low-interest or no-interest loans to businesses, municipalities, educational institutions
6 and nonprofit entities in the State for the installation of new thermal energy-derived
7 projects.

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

10 **Sec. 3. 35-A MRSA §3210, sub-§11**, as enacted by PL 2019, c. 477, §1, is amended
11 to read:

12 **11. Report; ~~Class IA resource and thermal renewable energy credit portfolio~~**
13 **requirements.** By ~~March 31~~ February 1, 2024 and every 5 years thereafter, the
14 ~~commission~~ Governor's Energy Office shall submit a report to the joint standing committee
15 of the Legislature having jurisdiction over energy matters based on a review, conducted in
16 consultation with the ~~Governor's Energy Office commission~~, of the status and impacts of
17 the implementation of the portfolio requirements for ~~Class IA~~ renewable resources under
18 ~~subsection~~ subsections 3, 3-A and 3-B and thermal renewable energy credits under
19 subsection 3-C. The review must be completed through a public process and must include
20 consideration of impacts of these renewable portfolio requirements on energy prices and
21 assessment of benefits, including but not limited to on greenhouse gas emissions and the
22 economy of the State. ~~The report required under this subsection may be submitted in~~
23 ~~conjunction with the report required under subsection 3-A, paragraph C.~~ After reviewing
24 the report required under this subsection, the committee may report out legislation
25 regarding renewable portfolio requirements.

26 **Sec. 4. Rulemaking.** Notwithstanding the Maine Revised Statutes, Title 35-A,
27 section 3210, subsection 9, paragraph A, the Public Utilities Commission shall initiate
28 rulemaking to set the alternative compliance payment rate for Class II resources no later
29 than August 1, 2023 and the initial rate takes effect upon completion of rulemaking.

30 **Emergency clause.** In view of the emergency cited in the preamble, this legislation
31 takes effect when approved.

32 SUMMARY

33 This bill requires the Public Utilities Commission to establish an alternative
34 compliance payment rate by rule for competitive electricity providers to satisfy the
35 portfolio requirements for Class II resources and establishes a maximum rate for that
36 alternative compliance option of \$5. In establishing the alternative compliance payment
37 rate, the bill adds that the commission must balance the interests of resource investors with
38 the interests of ratepayers. In establishing the alternative compliance rates for Class I, Class
39 IA, Class II and thermal renewable energy credits, the commission must consider historical
40 prices in addition to other factors.

41 It also requires the Governor's Energy Office, in consultation with the Public Utilities
42 Commission, to review the impacts of the State's renewable resource portfolio requirements

1 and submit a report to the joint standing committee of the Legislature having jurisdiction
2 over energy matters by February 1, 2024 and every 5 years thereafter.