

**AN ACT TO REDUCE ENERGY COSTS, INCREASE ENERGY
EFFICIENCY, PROMOTE ELECTRIC SYSTEM RELIABILITY
AND PROTECT THE ENVIRONMENT**

PART C

LEAST COST TRANSMISSION

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

Sec. 1. 35-A MRSA §3131, sub-§4-B is enacted to read:

4-B. Nontransmission alternative. “Nontransmission alternative” means any of the following methods either individually or combined to reduce the need for the construction of a transmission line under section 3132 or transmission project under section 3132-A: energy efficiency and conservation, load management, demand response, or distributed generation.

Sec. C-1. 35-A MRSA §3132, sub-§2-C, ¶¶B and C, as enacted by PL 2009, c. 309, §2, are amended to read:

B. Justification for adoption of the route selected, including comparison with alternative routes that are environmentally, technically and economically practical; ~~and~~

C. Results of an investigation by an independent third party, which may be the commission or a contractor selected by the commission of non-transmission alternatives to construction of the proposed transmission line including. These nontransmission alternatives include energy conservation, demand response, distributed generation or and load management. The investigation must set forth the total projected costs of the transmission line as well as the total projected costs of the alternatives over the effective life of the proposed transmission line. regardless of the proposed allocation of these costs by the New England independent system operator; and

Sec. C-2. 35-A MRSA §3132, sub-§2-C, ¶D is enacted to read:

D. A description of the need for the proposed transmission line.

Sec. C-4. 35-A MRSA §3132, sub-§5, as enacted by PL 1987, c. 141, Pt. A, §6, is amended to read:

5. Commission approval of a proposed line. The commission may approve or disapprove all or portions of a proposed transmission line and shall make such orders regarding its character, size, installation and maintenance as are necessary, having regard for any increased costs caused by the orders. The commission shall give preference to the nontransmission alternatives that have been identified as able to address the identified need at lower total cost to ratepayers in this State. When the costs to ratepayers in this State of the identified nontransmission alternatives are reasonably equal, the commission shall give preference to the alternatives that produce the lowest amount of local air emissions, including greenhouse gas

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~~emissions. The commission shall give preference to the nontransmission alternatives in the following order: energy efficiency and demand response; renewable distributed generation; distributed generation with no greenhouse gas emissions; and other distributed generation.~~

Sec. C-5. 35-A MRSA §3132, sub-§6, as repealed and replaced by PL 2011, c. 281, §1, is amended to read:

6. Commission order; certificate of public convenience and necessity. In its order, the commission shall make specific findings with regard to the public need for the proposed transmission line. The commission shall make specific findings with regard to the likelihood that nontransmission alternatives can sufficiently address the identified public need over the effective life of the transmission line at lower total cost. ~~If the commission determines that the nontransmission alternatives can address the need at lower total cost but represent a larger increased cost to the ratepayers of the State than the proposed transmission line, the commission shall make reasonable efforts to achieve an agreement among the states within the New England independent system operator region to allocate the cost of the nontransmission alternatives among the ratepayers of the region using the allocation method used for transmission lines or another allocation method that results in lower increased cost to the ratepayers of the State.~~ Except as provided in subsection 6-A for a high-impact electric transmission line and in accordance with subsection 6-B regarding nontransmission alternatives, if the commission finds that a public need exists, after considering whether the need can ~~and that the need cannot be~~ economically and reliably met using nontransmission alternatives, it shall issue a certificate of public convenience and necessity for the transmission line. In determining public need, the commission shall, at a minimum, take into account economics, reliability, public health and safety, scenic, historic and recreational values, state renewable energy generation goals, the proximity of the proposed transmission line to inhabited dwellings and alternatives to construction of the transmission line, including energy conservation, distributed generation or load management. If the commission orders or allows the erection of the transmission line, the order is subject to all other provisions of law and the right of any other agency to approve the transmission line. The commission shall, as necessary and in accordance with subsections 7 and 8, consider the findings of the Department of Environmental Protection under Title 38, chapter 3, subchapter 1, article 6, with respect to the proposed transmission line and any modifications ordered by the Department of Environmental Protection to lessen the impact of the proposed transmission line on the environment. A person may submit a petition for and obtain approval of a proposed transmission line under this section before applying for approval under municipal ordinances adopted pursuant to Title 30-A, Part 2, Subpart 6-A; and Title 38, section 438-A and, except as provided in subsection 4, before identifying a specific route or route options for the proposed transmission line. Except as provided in subsection 4, the commission may not consider the petition insufficient for failure to provide identification of a route or route options for the proposed transmission line. The issuance of a certificate of public convenience and necessity establishes that, as of the date of issuance of the certificate, the decision by the person to erect or construct was prudent. At the time of its issuance of a certificate of public convenience and necessity, the commission shall send to each municipality through which a proposed corridor or corridors for a transmission line extends a separate notice that the issuance of the certificate does not override, supersede or otherwise affect municipal authority to regulate

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the siting of the proposed transmission line. The commission may deny a certificate of public convenience and necessity for a transmission line upon a finding that the transmission line is reasonably likely to adversely affect any transmission and distribution utility or its customers.

6-B. Reasonable consideration of nontransmission alternatives. If the commission determines that nontransmission alternatives can sufficiently address the transmission need under subsection 6 at lower total cost, but at a higher costs to ratepayers in this State than the proposed transmission line, the commission shall make reasonable efforts within 180 days to achieve an agreement among the states within the ISO-NE region to allocate the cost of the nontransmission alternatives among the ratepayers of the region using the allocation method used for transmission lines or a different allocation method that results in lower costs than the proposed transmission line to the ratepayers of this State.

For the purposes of this section, ISO-NE region has the same meaning as in section 1902, subsection 3.

The subsection is repealed December 31, 2015.

15. Advancement of nontransmission alternatives policies. The commission shall advocate in all relevant venues for the pursuit of least-cost solutions to bulk power system needs on a total cost basis, and for all available resources, including nontransmission alternatives, to be treated comparably in transmission analysis, planning and access to funding.

Sec. C-X. 35-A MRSA §3132-A is enacted to read:

§3132-A Construction of transmission projects prohibited without approval of the commission. A person may not construct any transmission project without approval from the Commission. For the purposes of this section, “transmission project” means any proposed transmission line and its associated infrastructure capable of operating at less than 69 kilovolts and projected to cost in excess of \$20,000,000.

1. Submission requirement. Whenever a person proposes to undertake in the State a transmission project, that person must provide the commission with the following information:

A. Results of an investigation by an independent third party, which may be the commission or a contractor selected by the commission of non-transmission alternatives to construction of the proposed transmission project. The investigation must set forth the total projected costs of the transmission project as well as the total projected costs of the nontransmission alternatives over the effective life of the proposed transmission project; and

B. A description of the need for the proposed transmission line.

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- 2. Approval; standards for lower-voltage projects.** In order for a transmission project to be approved, the commission must consider whether the identified need over the effective life of the proposed transmission project can be economically and reliably met using nontransmission alternatives at a lower total cost. During its review the commission shall give preference to nontransmission alternatives that are identified as able to address the identified need at lower total cost to ratepayers. Of the identified nontransmission alternatives, the commission shall give preference to the lowest-cost nontransmission alternatives. When the costs to ratepayers of the identified nontransmission alternatives are reasonably equal, the commission shall give preference to the alternatives that produce the lowest amount of local air emissions, including greenhouse gas emissions.
- 3. Exception.** A transmission project that is constructed, owned and operated by a generator of electricity solely for the purpose of electrically and physically interconnecting such generator to the transmission system of a transmission and distribution utility is not subject to this section.