

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

PART A

FUNDING OF ENERGY EFFICIENCY AND HEATING IMPROVEMENTS

~~Sec. A-1. Declaration of Energy, Environmental, Efficiency and Reliability Policy: 35-A MRSA Chapter 96 is enacted as follows:~~

~~It is the policy of the State of Maine to reduce energy costs, promote electric efficiency and electric grid reliability, protect the environment and improve security of the state and local economies, to help individuals and businesses meet their energy needs at the lowest cost and generally to improve the economic and environmental security and electric grid reliability of the State by:~~

~~(1) Reducing the cost of energy to residents of the State;~~

~~(2) Maximizing the use of cost effective weatherization and energy efficiency measures, including measures that improve the energy efficiency of energy using systems, such as heating and cooling systems and system upgrades to energy efficient systems that rely on affordable energy resources;~~

~~(3) Reducing economic insecurity from the inefficient use of expensive fossil fuels;~~

~~(4) Increasing new jobs and business development to deliver affordable energy and energy efficiency products and services;~~

~~(5) Enhancing heating benefits for households of all income levels through implementation of cost effective efficiency programs, including weatherization programs and affordable heating systems, that will produce comfort, improve indoor air quality, reduce energy costs for those households and reduce the need for future fuel assistance;~~

~~(6) Simplifying and enhancing consumer access to technical assistance and financial incentives relating to energy efficiency and the use of alternative energy resources by merging or coordinating dispersed programs under a single administrative unit possessing independent management and expertise; and~~

~~(7) Using cost effective energy and energy efficiency investments to reduce greenhouse gas emissions;~~

~~(8) Facilitating the reduction in consumer reliance on oil for heating, manufacturing and transportation purposes.~~

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~~(9) Facilitating the transition of consumers to reliance on less expensive and less polluting energy sources.~~

~~(10) Ensuring adequate electricity and natural gas supply in New England, eliminating the natural gas so-called “basis differential” substantially and, thereby, protecting the reliability of the regional electric grid.~~

Sec. A-1. 35-A MRSA §3210-C, sub-§12, as enacted by PL 2011, c. 413, §3, is repealed.

Sec. A-2. 35-A MRSA §10103, sub-§1, ¶B, as enacted by PL 2009, c. 372, Pt. B, §3, is repealed and the following enacted in its place:

B. Reduce energy costs and improve security of the state and local economies. The trust shall administer cost-effective energy and energy efficiency programs consistent with applicable requirements of this chapter or other law to help individuals and businesses meet their energy needs at the lowest cost and generally to improve the economic security of the State by:

(1) Reducing the cost of energy to residents of the State;

(2) Maximizing the use of cost-effective weatherization and energy efficiency measures, including measures that improve the energy efficiency of energy-using systems, such as heating and cooling systems and system upgrades to energy efficient systems that rely on affordable energy resources;

(3) Reducing economic insecurity from the inefficient use of expensive fossil fuels;

(4) Increasing new jobs and business development to deliver affordable energy and energy efficiency products and services;

(5) Enhancing heating improvements for households of all income levels through implementation of cost-effective efficiency programs, including weatherization programs and affordable heating systems, that will produce comfort, improve indoor air quality, reduce energy costs for those households and reduce the need for future fuel assistance;

(6) Simplifying and enhancing consumer access to technical assistance and financial incentives relating to energy efficiency and the use of alternative energy resources by merging or coordinating dispersed programs under a single administrative unit possessing independent management and expertise; and

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(7) Using cost-effective energy and energy efficiency investments to reduce greenhouse gas emissions;

Sec. A-3. 35-A MRSA §10103, sub-§1, ¶D, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

D. Actively promote investment in cost-effective energy and energy efficiency measures and systems that use ~~alternative~~ energy resources that reduce overall energy costs for consumers in the State.

Sec. A-4. 35-A MRSA §10103, sub-§4, as amended by PL 2009, c. 655, Pt. B, §3, is further amended to read:

4. Program funding. The board may apply for and receive grants from state, federal and private sources for deposit into appropriate program funds including funds for both residential and business programs. The board may deposit in appropriate program funds the proceeds of any bonds issued for the purposes of programs administered by the trust. The board may receive and shall deposit in appropriate program funds revenue resulting from any forward capacity market or other capacity payments from the regional transmission organization that may be attributable to by those projects funded by those funds. The board shall deposit into appropriate program funds revenue transferred to the trust from the energy infrastructure benefits fund pursuant to Title 5, section 282, subsection 9 for use in accordance with subsection 4-A. The board may also deposit any grants or other funds received by or from any entity with which the trust has an agreement or contract pursuant to this chapter if the board determines that receipt of those funds is consistent with the purposes of this chapter.

Sec. A-5. 35-A MRSA §10103, sub-§4-A, ¶A, as enacted by PL 2009, c. 655, Pt. B, §4, is repealed and the following enacted in its place:

A. To improve the State's economy, the trust shall pursue by pursuing lower energy costs for people, communities and businesses in a manner that will enhance the environment of the State and is in accordance with the triennial plan. In the expenditure of funds pursuant to this paragraph, the trust may provide grants, loans, programs and incentives.

Sec. A-6. 35-A MRSA §10104, sub-§1, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

1. Generally. In accordance with this section and other applicable law, the trust administers and disburses funds and coordinates programs to promote reduced energy costs, energy efficiency and increased use of alternative energy resources in the State. The trust is responsible for accounting for, evaluating and monitoring all activities of the trust and all programs funded in whole or in part by the trust.

Sec. A-7. 35-A MRSA §10104, sub-§2, ¶B, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

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B. The effectiveness of programs is maximized by building up and centralizing expertise, addressing conflicts of interest, mitigating the influence of politics, promoting flexible, timely program management and providing a champion for funding cost-effective energy and energy efficiency programs;

Sec. A-8. 35-A MRSA §10104, sub-§3, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

3. Measures of performance. The trust shall develop quantifiable measures of performance for all programs it administers and to which it will hold accountable all recipients of funding from the trust and recipients of funds used to deliver energy and energy efficiency and weatherization programs administered or funded by the trust. Such measures may include, but are not limited to, reduced energy consumption, increased use of alternative energy resources, ~~reduction in reduced heating costs~~, reduced capacity demand for natural gas, electricity and fossil fuels, reduced carbon dioxide emissions, program and overhead costs and cost-effectiveness, the number of new jobs created by the award of trust funds, the number of energy efficiency trainings or certification courses completed and the amount of sales generated.

Sec. A-9. 35-A MRSA §10104, sub-§4, ¶A, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

A. The triennial plan must be developed by the trust, in consultation with entities and agencies engaged in delivering efficiency programs in the State, to authorize and govern or coordinate implementation of energy efficiency and weatherization programs in the State. The triennial plan must identify all achievable cost-effective energy efficiency savings and related programs that could be implemented pursuant to sections 10110 and 10111, the costs and benefits of such programs and the basis and support for such identified costs and benefits. The trust shall conduct an evaluation of all the cost-effective potential for electrical and natural gas energy efficiency savings in the State at least once every 5 years.

- (1) Transmission and distribution utilities and natural gas utilities shall furnish data to the trust that the trust requests under this subsection to develop and implement the plan or conduct the evaluation of all cost-effective potential for electrical and natural gas energy savings subject to such confidential treatment as a utility may request and the board determines appropriate pursuant to section 10106. The costs of providing the data are deemed reasonable and prudent expenses of the utilities and are recoverable in rates.

Sec. A-10. 35-A MRSA §10104, sub-§4, ¶C, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

C. The board shall review and approve the triennial plan by affirmative vote of 2/3 of the trustees upon a finding that the plan is consistent with the statutory authority for each source

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of funds that will be used to implement the plan, advances the state energy efficiency targets in paragraph F and reflects the best practices of program administration under subsection 2. The plan must include, but is not limited to, efficiency and conservation program budget allocations, objectives, targets, measures of performance, program designs, program implementation strategies, timelines and other relevant information.

Sec. A-11. 35-A MRSA §10104, sub-§4, ¶D, as amended by PL 2009, c. 518, §8, is further amended to read:

D. Prior to submission of the triennial plan to the commission, the trust shall offer to provide a detailed briefing on the draft plan to the joint standing committee of the Legislature having jurisdiction over energy matters and, at the request of the committee, shall provide such a briefing and opportunity for input from the committee. After providing such opportunity for input and making any changes as a result of any input received, the board shall deliver the plan to the commission for its review and approval. The commission shall open ~~an~~ an adjudicatory proceeding and issue an order either approving the plan and issuing the appropriate orders to transmission and distribution utilities and gas utilities or rejecting the plan and stating the reasons for the rejection. The commission shall reject elements of the plan that propose to use funds generated pursuant to sections 3210-C, 10109, 10110, 10111 or 10119 if the plan fails to reasonably explain how these elements of the program would achieve the objectives and implementation requirements of the programs established under those sections or the measures of performance under subsection 3. Funds generated under these statutory authorities may not be used pursuant to the triennial plan unless those elements of the plan proposing to use the funds have been approved by the commission. The commission shall approve ~~or reject any~~ all elements of the triennial plan ~~shown~~ it determines to be cost-effective, reliable and achievable and shall incorporate into gas utility and transmission and distribution rates sufficient revenue to procure energy efficiency resources identified within the plan pursuant to section 10110, subsection 4-A and section 10111, subsection 2. The commission shall approve or reject the entire plan or elements of the plan within ~~60~~ 120 days of its delivery to the commission. The board, within ~~45~~ 30 days of final commission approval of its plan, shall submit the plan to the joint standing committee of the Legislature having jurisdiction over energy matters together with any explanatory or other supporting material as the committee may request and, at the request of the committee, shall provide a detailed briefing on the final plan. After receipt of the plan, the joint standing committee of the Legislature having jurisdiction over energy matters may submit legislation relating to the plan.

Sec. A-12. 35-A MRSA §10104, sub-§4, ¶F, as amended by PL 2009, c. 518, §8, is repealed and the following enacted in its place:

F. It is an objective of the triennial plan to design, coordinate and integrate sustained energy efficiency and weatherization programs that are available to all energy consumers in

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the State, for all fuel types. The plan must set forth the costs and benefits of energy efficiency programs that advance the following goals and funding necessary to meet those goals.

(1) Reducing energy costs, including residential heating costs.

(2) Weatherizing substantially all homes willing to participate in and share the costs of cost-effective home weatherization ~~are~~ to a minimum standard of weatherization, as defined by the trust, by 2030;

(3) Reducing electric peak-load demand through trust programs by 300 megawatts by 2020;

(4) Achieving by 2020, electricity and natural gas program savings of at least 20% and heating fuel savings of at least 20%, as defined in and determined pursuant to the measures of performance ~~ratified~~ approved by the commission under section 10120; ~~are~~;

(5) Creating stable private sector jobs providing clean energy and energy efficiency products and services in the State ~~are created~~ by 2020; and

(6) Reducing greenhouse gas emissions from the heating and cooling of buildings in the State by amounts consistent with the State's goals established in Title 38, section 576.

The trust shall preserve when possible and appropriate the opportunity for carbon emission reductions to be monetized and sold into a voluntary carbon market. Any program of the trust that supports weatherization of buildings must be voluntary and may not constitute a mandate that would prevent the sale of emission reductions generated through weatherization measures into a voluntary carbon market.

Except where specifically provided in the individual goals, the trust may consider expected savings from market effects not attributable to the trust as well as efforts by other organizations, including but not limited to federally funded low-income weatherization programs:

As used in this paragraph, "heating fuel" means liquefied petroleum gas, kerosene or #2 heating oil, but does not include fuels when used for industrial or manufacturing processes.

Sec. A-13 35-A MRSA §10109 subsection 3, as enacted by PL 2009 C. 372 Pt. B

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§3 is repealed.

Sec. A-14. 35-A MRSA §10109, sub-§4, ¶A, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

A. During the years ~~fiscal 2009 2014, 2010 2015 and 2011 2016~~, not less than ~~85%~~ 50% of the trust ~~fund funds received during these years~~, must be allocated for measures, investments and arrangements that reduce electricity consumption or ~~reductions in reduce~~ greenhouse gas emissions gases that and lower energy costs at commercial or industrial facilities, and ~~not more than 15%~~ 35% must be allocated for fossil fuel conservation measures, investments and arrangements. ~~used for investment in measures that lower residential heating energy demand consistent with and reduce greenhouse gas emissions reduction. The residential measures that lower residential heating demand must be fuel-neutral and may include, but are not limited to, energy efficiency improvements to residential buildings and upgrades to efficient heating systems that will reduce residential energy costs and greenhouse gas emissions, as determined by the board. Fifteen~~ The trust shall transfer to the commission 15 % of the trust fund during these fiscal years 2014, 2015 and 2016 which shall be transferred to the commission. The the commission will shall direct transmission and distribution utilities to disburse the funds to ratepayers as prescribed by the commission in a manner to provide maximum benefit to the Maine economy. Subject to the apportionment ~~between fossil fuel and electricity conservation~~ pursuant to this subsection, the trust shall fund conservation programs that give priority to measures with the highest benefit-to-cost ratio, as long as cost-effective collateral efficiency opportunities are not lost, and that:

- (1) Reliably reduce greenhouse gas production and thermal energy costs by fossil fuel combustion in the State at the lowest cost in funds from the trust fund per unit of emissions; or
- (2) Reliably reduce the consumption of electricity in the State at the lowest cost in funds from the trust fund per kilowatt-hour saved.

B. Expenditures from the trust fund relating to conservation of electricity and mitigation or reduction of greenhouse gases must be made predominantly on the basis of a competitive bid process for long-term contracts, subject to rules adopted by the board under section 10105. Rules adopted by the board to implement the competitive bid process under this paragraph may not include an avoided cost methodology for compensating successful bidders. Bidders may propose contracts designed to produce greenhouse gas savings or electricity conservation savings, or both, on a unit cost basis. Contracts must be commercially reasonable and may require liquidated damages to ensure performance. Contracts must provide sufficient certainty of payment to enable commercial financing of the conservation measure purchased and its installation.

C. The board may target bid competitions in areas or to participants as they consider necessary, as long as the requirements of paragraph A are satisfied.

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~~D. Nonelectric savings programs must be used to maximize fossil fuel energy efficiency and conservation and associated greenhouse gas reductions, subject to the apportionment between fossil fuel and electricity conservation set forth in paragraph A.~~ Nonelectric savings programs must be used to maximize fossil fuel energy efficiency and conservation and associated greenhouse gas reductions, subject to the apportionment ~~between fossil fuel and electricity conservation set forth in paragraph A.~~ Community-based renewable energy projects, as defined in section 3602, subsection 1, may apply for funding from the trust as nonelectric savings programs.

E. The size of a project funded by the trust fund is not limited as long as funds are awarded to maximize energy efficiency and support greenhouse gas reductions and to fully implement the triennial plan.

F. No more than \$800,000 of trust fund receipts in any one year may be used for the costs of administering the trust fund pursuant to this section. The limit on administrative costs established in this paragraph does not apply to the following costs that may be funded by the trust fund:

- (1) Costs of the Department of Environmental Protection for participating in the regional organization as defined in Title 38, section 580-A, subsection 20 and for administering the allowance auction under Title 38, chapter 3-B; and

G. In order to minimize administrative costs and maximize program participation and effectiveness, the trustees shall, to the greatest extent feasible, coordinate the delivery of and make complementary the energy efficiency programs under this section and other programs under this chapter.

H. The trust shall consider delivery of efficiency programs by means of contracts with service providers that participate in competitive bid processes for reducing energy consumption within individual market segments or for particular end uses.

I. A trade association aggregator is eligible to participate in competitive bid processes under this subsection.

J. Trust fund receipts ~~may~~shall fund research approved by the Department of Environmental Protection in an amount of up to \$100,000 per year to develop new categories for carbon dioxide emissions offset projects, as defined in Title 38, section 580-A, subsection 6, that are located in the State. Expenditures on research pursuant to this paragraph are not considered administrative costs under paragraph ~~F~~F-1.

Sec. A-15. 35-A MRSA §10110, sub-§2, ¶B, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

B. The trust, with regard to ~~the assessment imposed under subsection 4~~funds available to the trust ~~in~~ under this section, shall:

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(1) Target at least ~~20%~~10% of funds for electric conservation collected under subsection 4-A for ratepayers or \$2,600,000, whichever is greater, to programs for low-income residential consumers, as defined by the board by rule;

(2) Target at least ~~20%~~10% of funds for electric conservation collected under subsection 4-A for ratepayers or \$2,600,000, whichever is greater, to programs for small business consumers, as defined by the board by rule; and

(3) To the greatest extent practicable, apportion remaining funds among customer groups and geographic areas in a manner that allows all other customers to have a reasonable opportunity to participate in one or more conservation programs.

Sec. A-17. 35-A MRSA §10110, Sub-§2 ¶B is further amended by adding a new Paragraph L as follows:

L. Litigation Damage Awards

~~For the fiscal years 2014 and 2015, the commission shall direct any transmission and distribution utility that is the recipient of funds pursuant to a damage award received pursuant to litigation with the U.S. Department of Energy concerning decommissioning costs relating to Maine Yankee Atomic Power Company to disburse, upon receipt of said funds, 55% of any amount received to the Trust to be utilized by the Trust for the electric efficiency and conservation programs in accordance with its triennial plan. The commission shall further direct the transmission and distribution utility to disperse the remaining 45% of any damage award in fiscal years 2014 and 2015, and 100% in subsequent years, in ways as prescribed by the commission which provide maximum benefit to the Maine economy.~~

Sec. A-16. 35-A MRSA §10110, sub-§4, as enacted by PL 2009, c. 372, Pt. B, §3, is repealed effective July 1, 2015.

Sec. A-17. 35-A MRSA §10110, sub-§4-A is enacted effective January 1, 2015, to read:

4-A. Procurement of all cost-effective energy efficiency resources. The commission shall ensure that electric ratepayers in the State procure all electric energy efficiency resources found by the commission to be cost-effective, reliable and achievable pursuant to section 10104, subsection 4, provided that the commission may not require the inclusion in rates under this subsection a total amount that exceeds 4 percent of total retail electricity and transmission and distribution sales in the State as determined by the commission by rule. The procurement of cost-effective electric energy efficiency resources is a just and reasonable element of rates. The commission may issue any appropriate orders to transmission and distribution utilities necessary to achieve the goals of this subsection. In determining the amount

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of cost-effective efficiency resources that must be procured by electric ratepayers, the commission shall give consideration to the following:

1. Electric ~~electric~~ energy efficiency resources that are reasonably foreseeable to be achieved procured by the trust through using all other sources of revenue, including but not limited to the Regional Greenhouse Gas Initiative Trust Fund under sections 10109 and 10110, sub-2, Section L;
2. Ensuring ~~ensuring~~ calculations of avoided energy costs and trust budget that the commission has a high degree of confidence are reasonable, and based on sound evidence, and make use of best practices across the region including but not limited to assumptions for measure life and long-term supply; and
3. Maximizing ~~maximizing~~ total electric savings for all ratepayers.

The commission shall consider gross efficiency savings for the purposes of determining savings that are achievable, reliable and cost-effective and shall consider both net and gross efficiency savings for the purpose of determining trust budgets and evaluating program effectiveness.

Rules adopted under this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

Sec. A-18. 35-A MRSA §10110, sub-§5, is repealed.

Sec. A-19 35-A MRSA §10110, sub-§6 is amended to read:

6. Transmission and subtransmission voltage level. After July 1, 2007, electricity customers receiving service at transmission and subtransmission voltage levels are not eligible for new conservation programs undertaken under this section, and those customers are not required to pay in rates any amount associated with the assessment imposed on transmission and distribution utilities under subsection 4 or subsection 5, or any amount associated with any procurement of efficiency resources by transmission and distribution utilities ordered under subsection 4-A. To remove the amount of the assessment under subsection 4, the commission shall reduce the rates of such customers by 0.145 cent per kilowatt-hour. For the purposes of this section, "transmission voltage levels" means 44 kilovolts or more, and "subtransmission voltage levels" means 34.5 kilovolts.

Sec. A-20. 35-A MRSA §10110, sub-§8, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

8. Conservation administration fund. The trust may transfer up to 9% of funds

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~~collected pursuant to this section to its shall establish a conservation~~ administration fund to be used solely to defray administrative costs. ~~commission~~Any interest on funds in the administration fund must be credited to the administration fund and any funds unspent in any fiscal year must either remain in the administration fund to be used to defray administrative costs or be transferred to the program fund.

Sec. A-21. 35-A MRSA §10110, sub-§10, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

10. Funds held in trust. All funds collected from electricity consumers pursuant to this section are collected under the authority and for the purposes of this section and are deemed to be held in trust for the purposes of benefiting electricity consumers. In the event funds are not expended or contracted for expenditure within 2 years of being collected from consumers, the commission shall require the trust to return the value of those funds to consumers by appropriate reductions in the assessment collected pursuant to subsection 4.

Sec. A-22. 35-A MRSA §10111, sub-§2, as amended by PL 2011, c. 637, §7, is further amended to read:

2. Funding level. The natural gas conservation fund, which is a nonlapsing fund, is established to carry out the purposes of this section. The commission shall assess each gas utility ~~that serves at least 5,000 residential customers an amount that is no less than 3% of the gas utility's delivery revenues as defined by commission rule.~~ In accordance with the triennial plan, ~~the commission may assess a higher amount~~ an amount necessary to capture all cost-effective energy efficiency that is achievable and reliable. All amounts collected under this subsection must be transferred to the natural gas conservation fund. Any interest on funds in the fund must be credited to the fund. Funds not spent in any fiscal year remain in the fund to be used for the purposes of this section.

The assessments charged to gas utilities under this section are just and reasonable costs for rate-making purposes and must be reflected in the rates of gas utilities.

All funds collected pursuant to this section are collected under the authority and for the purposes of this section and are deemed to be held in trust for the purposes of benefiting natural gas consumers served by the gas utilities assessed under this subsection. In the event funds are not expended or contracted for expenditure within 2 years of being collected from consumers, the commission shall return the value of those funds to consumers by appropriate reductions in the assessment collected pursuant to this subsection.

Rules adopted by the commission under this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

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Sec. A-23. 35-A MRSA §10120, sub-§3, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

3. Oversight and evaluation fund. The commission ~~may~~shall establish an oversight and evaluation fund to be used solely to defray the commission's projected costs of ~~overseeing ongoing oversight of the trust trust's programs and results~~, including but not limited to reviewing the trust's calculation of program costs and benefits, measurement and verification procedures and program evaluations and reviewing and approving the triennial plan and contracting. The commission may use funds to contract with expert 3rd-party resources to provide technical assistance or impartial evaluation of the performance of energy efficiency programs administered by the trust. The commission may assess the trust an amount not to exceed 1% of the total funds administered by the trust, and the trust shall transfer that amount to the commission to be deposited into the oversight and evaluation fund. Any interest on funds in the oversight and evaluation fund must be credited to the oversight and evaluation fund and any funds unspent in any fiscal year must either remain in the oversight and evaluation fund to be used for the purposes specified in this subsection or be transferred to the trust for deposit in appropriate program funds.

Sec. A-24. 35-A MRSA §122, sub-§6-B, as enacted by PL 2011, c. 652, §13 and affected by §14, is amended to read:

6-B. Revenue from energy infrastructure corridors. Notwithstanding subsection 6-A, ~~90%~~20% of the revenues generated from the use of statutory corridors designated under subsection 1-A, paragraphs A and B owned by the Department of Transportation within energy infrastructure corridors must be deposited into the Secondary Road Program Fund established in Title 23, section 1803-C and ~~40%~~80% of the revenues must be deposited into the energy infrastructure benefits fund established in Title 5, section 282, subsection 9.

Sec. A-25. Effective dates. Section A-18 of this Act is effective July 1, 2015. Section A-19 of this Act is effective on January 1, 2015.

Sec. A-26. Maine Yankee settlement funds.

The Public Utilities Commission shall direct any transmission and distribution utility in this State that is the recipient of funds pursuant to a damage award received pursuant to litigation with the U.S. Department of Energy concerning decommissioning costs related to Maine Yankee Atomic Power Company, referred to in this section as "settlement funds", to disburse those settlement funds according to this section.

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1. Fiscal years 2014 and 2015. In fiscal years 2014 and 2015, the commission shall provide 55% of any settlement funds received by the transmission and distribution utility to the Efficiency Maine Trust to be used by the trust for electric efficiency and conservation programs pursuant to Title 35-A, Section 10110 in accordance with the trust's triennial plan, except if the utility's proportional share of the settlement funds provided to the trust from all transmission and distribution utilities would exceed that utility's proportional share of retail kilowatt hours delivered in this state by those transmission and distribution utilities, the commission shall allocate that excess to that transmission and distribution utility to reduce stranded costs.

Commission shall provide the remaining 45% of the settlement funds to the transmission and distribution utility's ratepayers in a manner that provides maximum benefit to the economy of the State.

2. In fiscal year 2016. In fiscal year 2016, the commission shall provide a total of \$2,000,000 of the settlement funds received by transmission and distribution utilities to the Efficiency Maine Trust to be used by the trust for electric efficiency and conservation programs pursuant to Title 35-A, Section 10110 in accordance with the trust's triennial plan. The proportional share of the \$2,000,000 provided from each transmission and distribution utility's settlement funds must be the same as that transmission and distribution utility's proportional share of the total retail kilowatt hours delivered in this state by all the transmission and distribution utilities receiving settlement funds.

Commission shall provide the remaining funds to the transmission and distribution utility's ratepayers in a manner that provides maximum benefit to the economy of the State; and

3. After fiscal year 2016. After fiscal year 2016, the commission shall ensure that all settlement funds are allocated in a manner that provides maximum benefit to the economy of the State.

Sec. A-27 . Efficiency Maine Trust Contract for Capacity Resources. The Public Utilities Commission shall direct investor-owned transmission and distribution utilities to enter into long-term contracts as described in the order issued by the commission on February 13, 2013 under docket 2012-00408.

Sec. A-28. Other Long Term Contracts: After July 1, 2013, the commission shall convene a stakeholder group to examine and make policy recommendations regarding financing and implementing energy efficiency and combined heat and power projects for transmission and sub-transmission level customers in an effective and fair manner. Except for the contract under A-27, ~~The the~~ commission ~~shall~~ may not approve long term contracts under Title 35-A, section 3210-C for energy efficiency and demand capacity resources ~~for these~~ affecting transmission and sub-transmission customers prior to the commission providing a report to the Legislature on the stakeholder group findings.