

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND NINETEEN

—
S.P. 565 - L.D. 1711

**An Act To Promote Solar Energy Projects and Distributed Generation
Resources in Maine**

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

PART A

Sec. A-1. 35-A MRSA §3201, sub-§11-A is enacted to read:

11-A. Investor-owned transmission and distribution utility. "Investor-owned transmission and distribution utility" has the same meaning as in section 3104, subsection 1, paragraph A.

Sec. A-2. 35-A MRSA §3201, sub-§13-A is enacted to read:

13-A. Nameplate capacity. "Nameplate capacity" means the installed or rated capacity of a power generator.

Sec. A-3. 35-A MRSA §3209-A, as amended by PL 2019, c. 16, §1, is further amended to read:

§3209-A. Net energy billing

The commission may adopt or amend rules governing net energy billing. Rules adopted or amended under this section are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A. ~~"Net energy billing" means a billing and metering practice under which a customer is billed on the basis of the difference between the kilowatt-hours delivered by a transmission and distribution utility to the customer over a billing period and the kilowatt-hours delivered by the customer to the transmission and distribution utility over the billing period, taking into account accumulated unused kilowatt-hour credits from the previous billing period.~~

1. Definitions. As used in this section, the following terms have the following meanings.

A. "Customer" means a customer of a transmission and distribution utility in the State.

B. "Distributed generation resource" means an electric generating facility that uses a renewable fuel or technology under section 3210, subsection 2, paragraph B-3 and is located in the service territory of a transmission and distribution utility in the State.

C. "Net energy billing" means a billing and metering practice under which a customer is billed on the basis of the difference between the kilowatt-hours delivered by a transmission and distribution utility to the customer over a billing period and the kilowatt-hours delivered by the customer to the transmission and distribution utility over the billing period, taking into account accumulated unused kilowatt-hour credits from the previous billing period.

2. Financial interest required. The commission shall allow a customer to participate in net energy billing if the customer has a financial interest in a distributed generation resource or in a generation resource that has a net energy billing arrangement on the effective date of this section, including facility ownership, a lease agreement or a power purchase agreement.

3. Shared financial interest for investor-owned utility customers; limitation. Multiple customers of an investor-owned transmission and distribution utility that have distinct billing accounts with that utility may share a financial interest in a distributed generation resource under subsection 2. Any number of customers of an investor-owned transmission and distribution utility with a shared financial interest in a distributed generation resource may participate in net energy billing, except that the number of eligible customers or meters is limited to 10 for a shared financial interest in a distributed generation resource located in the service territory of an investor-owned transmission and distribution utility located in an area administered by the independent system administrator for northern Maine or any successor of the independent system administrator for northern Maine unless the commission determines that the utility's billing system can accommodate more than 10 accounts or meters for the purpose of net energy billing.

4. System size. The nameplate capacity of a distributed generation resource that may be used for net energy billing must be less than 5 megawatts, except that, if a municipality is the customer participating in net energy billing, the nameplate capacity of a distributed generation resource located in that municipality that may be used for the net energy billing may be 5 megawatts or more, as long as less than 5 megawatts of metered electricity from the resource is used for net energy billing.

Sec. A-4. 35-A MRSA §3209-B is enacted to read:

§3209-B. Commercial and institutional net energy billing

The commission shall establish by rule, in accordance with this section, a net energy billing program for commercial and institutional customers of investor-owned utilities.

1. Definitions. As used in this section, the following terms have the following meanings.

A. "Commercial and institutional net energy billing program" or "program" means the net energy billing program established pursuant to this section.

B. "Commercial or institutional customer" or "customer" means a nonresidential customer of an investor-owned transmission and distribution utility in the State.

C. "Distributed generation resource" has the same meaning as in section 3209-A, subsection 1, paragraph B.

D. "Net energy billing" means the system of bill credits available under the program as described in subsection 5.

2. Financial interest. The program must allow a commercial or institutional customer to participate in the program if the customer has a financial interest in a distributed generation resource, including facility ownership, a lease agreement or a power purchase agreement.

3. System size. The nameplate capacity of a distributed generation resource that may be used for net energy billing under this section must be less than 5 megawatts.

4. Shared financial interest; limitation. Multiple commercial or institutional customers that have distinct billing accounts with an investor-owned transmission and distribution utility may share a financial interest in a distributed generation resource under subsection 2. Any number of commercial or institutional customers may participate in net energy billing with a shared interest in a distributed generation resource, except that the number of customers or meters is limited to 10 for a shared interest in a distributed generation resource located in the service territory of an investor-owned transmission and distribution utility located in an area administered by the independent system administrator for northern Maine or any successor of the independent system administrator for northern Maine unless the commission determines that the utility's billing system can accommodate more than 10 accounts or meters for the purpose of net energy billing.

5. Tariff rate; bill credits. The commission shall establish by rule a tariff rate for customers participating in the program. The initial tariff rate must be established no later than December 1, 2019.

A. The tariff rate must equal the standard offer service rate established under section 3212 that is applicable to the customer receiving the credit plus 75% of the effective transmission and distribution rate for the rate class that includes the smallest commercial customers of the investor-owned transmission and distribution utility.

B. A customer participating in the program must receive for electricity delivered to the electric grid from a distributed generation resource in which the customer has a financial interest a bill credit based on the tariff rate to apply against the costs of electricity delivered to the customer by the investor-owned transmission and distribution utility.

C. A bill credit under the program as described in paragraph B may be applied to any portion of a customer's electricity bill. Credits that remain unused at the end of any billing period may be carried forward for up to one year from the end of that billing period.

D. A customer participating in the program who remains eligible to participate in the program must be allowed to receive a bill credit based on the tariff rate for a period of no less than 20 years from the date of first receiving the credit.

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

Sec. A-5. Reports. By December 1, 2021, the Public Utilities Commission shall provide a report to the joint standing committee of the Legislature having jurisdiction over energy matters on the status of metering and billing system capabilities for investor-owned transmission and distribution utilities in the State. The report must include capabilities of systems to reliably offer time-differentiated rates for delivery and supply of energy; the commission's level of confidence in metering and billing systems to provide accurate information to utilities, consumers and the commission; the capacity of systems to accommodate rates for bidirectional flow of power for customers with distributed energy resources; and the degree to which systems are being used to achieve the smart grid policy goals under the Maine Revised Statutes, Title 35-A, section 3143. The commission shall report on any changes to rates or rules or other changes the commission intends to adopt to increase the effectiveness of systems under this paragraph and may make recommendations to the joint standing committee.

The joint standing committee of the Legislature having jurisdiction over energy matters may report out legislation based on any recommendations under this section to the Second Regular Session of the 130th Legislature.

Sec. A-6. Evaluation. The Public Utilities Commission shall evaluate net energy billing under the Maine Revised Statutes, Title 35-A, section 3209-A when the total amount of generation capacity involved in net energy billing in the State reaches 10% of the total maximum load of transmission and distribution utilities in the State or 3 years after the effective date of this Act, whichever comes first. The commission shall evaluate the effectiveness of net energy billing in achieving state policy goals and providing benefits to ratepayers and submit a report to the joint standing committee of the Legislature having jurisdiction over energy matters with its findings. The joint standing committee may report out legislation based on the recommendations.

Sec. A-7. Rules. Notwithstanding Public Law 2019, chapter 16, section 2, the Public Utilities Commission may adopt rules prior to July 1, 2020 to implement the changes made by this Act to Title 35-A, section 3209-A. Notwithstanding Title 35-A, section 3209-A, rules adopted for this purpose prior to July 1, 2020 are routine technical rules, as defined in Title 5, chapter 375, subchapter 2-A.

PART B

Sec. B-1. 35-A MRSA c. 34-C is enacted to read:

CHAPTER 34-C

DISTRIBUTED GENERATION

§3481. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Bid rate. "Bid rate" means the rate proposed under a qualified bid for the output of a distributed generation resource in response to a competitive procurement solicitation.

2. Clearing price. "Clearing price" means the highest bid rate accepted by the commission for a procurement under this chapter.

3. Commercial or institutional customer. "Commercial or institutional customer" means a nonresidential customer of an investor-owned transmission and distribution utility in the State.

4. Credit rate. "Credit rate" means the per-kilowatt-hour rate used to calculate the monetary value of a distributed generation resource. The credit rate is equal to the per-kilowatt-hour rate in the long-term contracts entered into between a standard buyer or a transmission and distribution utility and a project sponsor and must be the same for all subscribers of a particular shared distributed generation resource.

5. Distributed generation resource. "Distributed generation resource" means an electric generating facility with a nameplate capacity of less than 5 megawatts that uses a renewable fuel or technology under section 3210, subsection 2, paragraph B-3 and is located in the service territory of a transmission and distribution utility in the State.

6. Energy storage system. "Energy storage system" means a commercially available technology that uses mechanical, chemical or thermal processes for absorbing energy and storing it for a period of time for use at a later time.

7. Investor-owned transmission and distribution utility. "Investor-owned transmission and distribution utility" has the same meaning as in section 3104, subsection 1, paragraph A.

8. Kilowatt. "Kilowatt" means 1,000 watts, measured in alternating current.

9. Kilowatt-hour. "Kilowatt-hour" means one kilowatt of power sustained for one hour.

10. Megawatt. "Megawatt" means 1,000,000 watts, measured in alternating current. When used in reference to a generation resource, a megawatt is measured by the generator's nameplate capacity.

11. Nameplate capacity. "Nameplate capacity" means the installed or rated capacity of a power generator.

12. Offer. "Offer" means a proposal to install and operate a distributed generation resource of a specified capacity in exchange for a contract with a standard buyer designated pursuant to section 3483.

13. Output. "Output" means energy, capacity, renewable energy certificates and all other environmental attributes and market products that are available or may become available from a distributed generation resource.

14. Project sponsor. "Project sponsor" means an entity or its successor or assignee that owns or operates:

A. A shared distributed generation resource on behalf of subscribers; or

B. A commercial or institutional distributed generation resource.

15. Qualified bid. "Qualified bid" means a bid to supply the output from a distributed generation resource that the commission determines meets the minimum qualification requirements established by rule.

16. Rate. "Rate" means a price per kilowatt-hour of delivered energy as measured by a revenue grade meter, as defined by the commission by rule, at a distributed generation resource's point of connection to the electric grid.

17. Shared distributed generation resource. "Shared distributed generation resource" means a distributed generation resource that is selected in a procurement under section 3486 the beneficial use of the output of which is owned by or allocated to subscribers.

18. Subscriber. "Subscriber" means a retail customer of a transmission and distribution utility that owns or has the right to a subscription and that has identified an account to which the subscription is attributed.

19. Subscription. "Subscription" means a proportional interest in a shared distributed generation resource. Each subscription must be sized to represent at least one kilowatt of the resource's generating capacity.

§3482. Specific measures to support distributed generation

1. Procurements. The commission shall procure distributed generation resources in the shared distributed generation and commercial or institutional distributed generation market segments using the targets and procurement methods described in this chapter.

2. Participation in wholesale markets. The commission and investor-owned transmission and distribution utilities shall take all commercially reasonable steps to promote the participation of distributed generation resources in serving the State's energy needs and in the wholesale electricity, capacity and ancillary service markets.

3. Change in tax treatment. If a change in federal tax laws, regulations or policy materially modifies the burdens or costs to customers or utilities associated with the procurements under this chapter, the commission shall issue a report to the joint standing committee of the Legislature having jurisdiction over energy matters describing the impact of these changes and recommending any actions necessary to maintain the benefits of the procurements under this chapter.

4. Timely interconnection. The commission shall ensure the timely review and execution of interconnection requests and the timely completion of work needed for the safe, reliable and cost-effective interconnection of distributed generation resources. The commission shall establish by rule requirements for investor-owned transmission and distribution utilities to interconnect distributed generation resources to the grid and financial penalties to ensure timely actions by those utilities to achieve the procurements under sections 3485 and 3486.

§3483. Standard buyer

A standard buyer designated pursuant to this section shall aggregate the output of the portfolio of distributed generation resources procured pursuant to this chapter and sell or use the output of the resources in a manner that maximizes the value of the portfolio of the resources to all ratepayers.

1. Designation of standard buyer. Each investor-owned transmission and distribution utility serves as the standard buyer in its service territory, except that the commission may designate another entity to serve as the standard buyer if the commission determines that the designation is in the best interest of customers in the service territory. The commission shall oversee the activities of the standard buyer to ensure compliance with this chapter.

2. Obligations of standard buyer. A standard buyer shall:

A. Serve as counterparty to long-term contracts with project sponsors pursuant to section 3486;

B. If the standard buyer is not an investor-owned transmission and distribution utility, reimburse an investor-owned transmission and distribution utility for any bill credit or payment to a subscriber or project sponsor pursuant to section 3486;

C. Establish reasonable measurement and verification requirements for distributed generation resources;

D. Provide information needed to allocate costs and benefits pursuant to subsection 3; and

E. Provide aggregate data regarding the output of distributed generation resources pursuant to sections 3485 and 3486.

3. Standard buyer cost allocation. The commission and each standard buyer designated pursuant to subsection 1 shall implement a transparent mechanism to track and recover or distribute the eligible costs and benefits under this subsection incurred by procuring distributed generation resources pursuant to this chapter. These eligible costs and benefits must be reviewed by the commission annually and allocated to and recovered from customers of the investor-owned transmission and distribution utility in whose territory the distributed generation resource is located through a process established by rule of the commission. The process established by the commission must be similar to the allocation of costs and benefits of long-term energy contracts in section 3210-F. Eligible costs and benefits include:

A. Incremental costs of serving as the standard buyer;

B. All payments or bill credits to customers, subscribers and project sponsors under each procurement pursuant to sections 3485 and 3486; and

C. All revenue from sale of the output of distributed generation resources procured pursuant to this chapter.

4. Entities other than the standard buyer. The commission shall ensure that the rules and procedures established under this chapter provide opportunities for entities other than the standard buyer to aggregate and sell the output of distributed generation resources in the applicable markets.

§3484. Procurement methods

1. Initial competitive procurement. The following standards and methods apply to the initial competitive procurement of distributed generation resources associated with commercial or institutional customer accounts under section 3485 and of shared distributed generation resources under section 3486:

A. On or before January 1, 2020, the commission shall adopt rules for each initial competitive solicitation of the first block of distributed generation resources under sections 3485 and 3486. The rules must include the form of contract provided under subsection 7;

B. The commission shall accept bids for 30 calendar days beginning on or before July 1, 2020 and review the bids based on the requirements under subsections 4, 5 and 6. The commission may select qualified bids in excess of the first block if the commission determines that the incremental procurement is in the public interest. If the commission selects qualified bids in excess of the first block, the commission shall reduce the quantity procured in subsequent block procurements. If the commission selects bids totaling less than the first block in the initial competitive procurement, the quantity procured in subsequent block procurements must increase by the difference between the first block and the number of megawatts submitted in the initial competitive procurement. If pursuant to subsections 4 and 5 no bids are accepted, the commission shall:

(1) Conduct a new initial competitive procurement under this subsection within 9 months; and

(2) Study the reasons for the inability of the procurement to secure the target amount and submit a report of its findings and any recommended legislation to the joint standing committee of the Legislature having jurisdiction over energy matters;

C. The commission shall issue a public notice of the initial competitive procurement results no later than 30 calendar days after the bid acceptance period has ended. The public notice must include the name, sponsor, size and location of each selected project and the awarded contract price; and

D. The applicable standard buyer shall enter into a contract with the selected project or projects for a term of 20 years at a specified contract rate equal to the clearing price to be paid as a bill credit to the commercial or institutional customer or the subscribers of a shared distributed generation resource, as applicable.

2. Subsequent block contract rate procurements. Subsequent to the initial competitive procurement under subsection 1, the remaining procurement under sections 3485 and 3486 must proceed pursuant to the following:

A. The commission shall procure 4 additional blocks of contracted distributed generation resources to meet the overall procurement goal specified in section 3485 for commercial or institutional distributed generation resources and in section 3486 for shared distributed generation resources. Each procurement block size equals 1/4 of the difference between the overall procurement goal and the quantity procured under subsection 1. These blocks are numbered sequentially, starting with 2. Subsequent procurements are assigned to a particular block, starting with procurement block 2 and finishing with procurement block 5;

B. The block contract rate for procurement block 2 must equal 97% of the clearing price determined in subsection 1. Each successive procurement block must have a block contract rate equal to 97% of the preceding block;

C. Block 2 must be opened immediately following the initial competitive procurement for bids qualifying under subsection 4;

D. The applicable standard buyer shall enter into a contract with each qualified project for a term of 20 years at a specified contract rate equal to the block contract rate of the procurement block then open and paid as a bill credit to the commercial or institutional customer or the subscribers of a shared distributed generation resource, as applicable;

E. Each contract awarded pursuant to this subsection reduces the available capacity in the current procurement block. If an awarded contract exceeds the remaining capacity of its procurement block, then that block is closed and the next block opened and the contract rate is set at the block contract rate for the block filled by this award and any overprocurement in one block is subtracted from the quantity available in the next block. If a contract award exceeds the capacity of procurement block 5, the entire quantity of the offer is awarded at the block contract rate for procurement block 5 and no further contracts may be awarded except under subsection 7; and

F. The commission may by rule establish incentives in the procurement of distributed generation resources including, but not limited to, incentives to support resources that pair with energy storage systems, development of dual-use projects, siting of resources that provide locational benefits to the distribution system and other siting criteria developed in consultation with the Department of Environmental Protection and the Department of Agriculture, Conservation and Forestry.

3. Failure to complete timely procurement. If any procurement block remains unfilled for more than 12 months from the time the previous block was filled:

A. The commission shall suspend procurements under subsection 2 pending completion of the process described in this subsection;

B. The commission shall review and may amend the rules adopted under subsection 1, paragraph A or the standard contract under subsection 7 for a new competitive procurement of long-term contracts for the output of at least the first block of distributed generation resources as part of the procurement goal in section 3485.

subsection 1 or section 3486, subsection 1. The commission shall publish any amendments and a new bid acceptance period for not less than 6 months and not more than 9 months;

C. The commission shall accept bids for 30 calendar days from the date established in paragraph B and review the bids based on the requirements set forth in subsections 4, 5 and 6 and the adopted rules. The commission may select qualified bids in excess of the first block if the commission determines that the incremental procurement is in the public interest and the incremental procurement reduces the quantity procured in subsequent procurements;

D. The commission shall issue a public notice of the procurement results no later than 30 calendar days after the bid acceptance period under paragraph C has ended. The public notice must include the name, sponsor, size and location of each selected project and the awarded contract price;

E. The applicable standard buyer shall enter into a contract with the project or projects selected under paragraph C for a term of 20 years at a specified contract rate equal to the highest selected offer rate as adjusted under subsection 6 to be paid as a bill credit to the commercial or institutional customer or the subscribers of a shared distributed generation resource, as applicable;

F. The commission shall reopen procurements under subsection 2 unless no contracts are awarded under paragraph E. The quantity procured under paragraph C must be subtracted from the current procurement block and the block contract rate for that procurement block must be set at the clearing price set under paragraph E. The block contract rate for each subsequent procurement block must be set at 97% of the newly established rate for the preceding procurement block; and

G. If no contracts are awarded under paragraph E, the commission shall:

(1) Conduct another competitive solicitation under this subsection with the bid acceptance period to open approximately 12 months after the bid acceptance period determined in paragraph B; and

(2) Examine the reasons for the inability of the procurement to secure the target amount and submit a report of its findings and any recommended legislation to the joint standing committee of the legislature having jurisdiction over energy matters.

4. Bid or offer qualification. The commission shall establish minimum requirements for bids or offers in a solicitation under this section, including:

A. Demonstration of site control;

B. A fully executed interconnection service agreement with an investor-owned transmission and distribution utility;

C. Demonstration that all required federal, state and local approvals and nonministerial permits for the project have been obtained. For the purposes of this paragraph, "nonministerial permit" means a permit for which one or more officials consider various factors and exercise discretion in deciding whether to issue or deny the permit;

D. The capacity to make a financial assurance deposit at the time a contract is signed; and

E. The following requirements based on the procurement type:

(1) For a commercial or institutional distributed generation resources procurement, if a participating commercial or institutional customer is not the party making the bid, an agreement from a customer that would receive bill credits under section 3485, subsection 2; and

(2) For a shared distributed generation resources procurement, demonstration of experiencing fulfilling the obligation to subscribers of shared distributed generation resources.

The commission may by rule require a bidder to pay a reasonable bidding fee to defray administrative costs.

5. Ensuring competition. Prior to each solicitation under subsections 1 to 3, the commission shall establish standards to ensure that the solicitation has a sufficient number of unique bidders and quantity of qualified bids to be determined competitive. If the commission concludes that a solicitation is not competitive, the commission may reduce the target procurement quantities to produce the greatest quantity that may be procured consistent with this subsection and shall defer to subsequent solicitations the capacity reduced in the solicitation.

6. Bid selection. Following a review of bids received in the solicitations under subsections 1 to 3, and after any adjustment to the target quantity under subsection 5, the commission shall select one or more winning bids that, in the aggregate, meet the target procurement quantity. If there are multiple qualified bids at the same offer rate, the commission shall give preference to the qualified bid or bids that minimize the cost to the standard buyers or, if there is no difference in cost, to the bid that was submitted first.

In evaluating bids in a competitive solicitation, the commission shall evaluate a qualified bid for a project that is located on previously developed or impacted land at 90% of the offered rate. For the purposes of this subsection, "previously developed or impacted land" means areas covered by impervious surfaces, capped landfills or brownfield sites as defined by the Department of Environmental Protection. If a bid under this subsection is accepted, the contract rate for each accepted bid for a project located on previously developed or impacted land must be paid a rate equal to the clearing price.

7. Standard contract and milestones. Prior to a solicitation, the commission shall provide, in consultation with the standard buyer or standard buyers, a standard contract that commits the standard buyer and a project sponsor to commercially reasonable behavior and includes provisions including an interconnection fee list and interconnection schedule to ensure that the project proceeds to commercial operation on a reasonable timeline. The standard contracts for all standard buyers must be substantially identical to the extent commercially reasonable.

A qualified project must be commercially operable within 18 months of being awarded a contract. The commission may grant an extension for good cause. If a project fails to meet a milestone, the project sponsor is in default and the sponsor's contract must be

cancelled. The capacity associated with a cancelled project must be added to the currently open procurement block. If procurement block 5 has been filled and procurements closed, the defaulted quantity must be added to procurement block 5 and new offers must be accepted under subsection 2.

§3485. Commercial or institutional distributed generation resources procurement

1. Procurement amounts. By July 1, 2024, the commission shall procure 125 megawatts of the output of distributed generation resources associated with commercial or institutional customer accounts by conducting an initial competitive solicitation for the first block of 25 megawatts pursuant to section 3484 to establish market-based, declining block contract rates to procure the remaining 100 megawatts.

2. Determination of bill credit. The bill credit allocated to a commercial or institutional customer must be based on the total kilowatt-hours of energy production of the distributed generation resource for the previous month. For each billing month, the value of the credit must be calculated by multiplying the number of kilowatt-hours by the contract rate. A payment to a commercial or institutional customer must be credited against the customer's monthly electricity bill in accordance with section 3487. The monthly energy production must be determined by a revenue-grade meter installed and paid for by the participating commercial or institutional customer.

3. Exemption. A commercial or institutional customer is not considered a public utility or competitive electricity provider solely as a result of entering into a contract with a standard buyer under this section.

§3486. Shared distributed generation resources procurement

1. Procurement amounts. By July 1, 2024, the commission shall procure 250 megawatts of the output of shared distributed generation resources by conducting an initial competitive solicitation for the first block of 50 megawatts pursuant to section 3484 to establish market-based, declining block contract rates to procure the remaining 200 megawatts.

2. Payment and minimum subscription. The project sponsor and subscribers of a distributed generation resource that receives a contract under this section must receive the contract rate for the output of a shared distributed generation resource that is fully subscribed. For any portion not subscribed, the project sponsor must receive the wholesale rate obtained by the standard buyer for resale of the shared distributed generation resource output. Requirements for minimum subscriptions include:

A. At least 50% of the total nameplate capacity of a shared distributed generation resource must be subscribed by subscriptions of 25 kilowatts or less or at least 20% of the total nameplate capacity must be subscribed by subscriptions of 25 kilowatts or less if subscriptions from a municipality or units of municipal government account for more than 30% of the total nameplate capacity, unless subscriptions from a municipality or units of municipal government account for more than 50% of the total nameplate capacity of a shared distributed generation resource; and

B. At least:

(1) Ten percent of the total nameplate capacity of a shared distributed generation resource must be subscribed by households with low or moderate income or by organizations serving households with low or moderate income if the subscriptions serve to directly reduce the electricity costs for households with low or moderate income; or

(2) If a municipality or unit of municipal government accounts for more than 50% of the subscriptions to a shared distributed generation resource, 5% of the total nameplate capacity of the shared distributed generation resource must be subscribed by households with low or moderate income or by organizations serving households with low or moderate income if the subscriptions serve to directly reduce the electricity costs for households with low or moderate income.

Subscriptions from municipalities or units of municipal government may not account for more than 70% of the nameplate capacity of a shared distributed generation resource. For the purposes of this subsection, "household with low or moderate income" means a household that provides proof of participation in a utility, municipal, state or federal income-based assistance program or a household that provides proof of household income up to 80% of the median income for the county or metropolitan area where the household is located.

3. Determination of subscriber bill credit. The bill credit allocated to each subscriber from a shared distributed generation resource must be based on the subscriber's percentage interest of the total production of the shared distributed generation resource for the previous month. For each billing month, the value of the credit allocated to a subscriber must be calculated by multiplying the number of kilowatt-hours constituting the subscriber's share by the contract rate. On a monthly basis, the project sponsor shall provide to the investor-owned transmission and distribution utility in a standardized and electronic format a list of subscribers and subscriber information required to calculate the bill credit to be provided to each subscriber. A credit to a subscriber must be applied against the subscriber's monthly electricity bill in accordance with section 3487 no later than one billing month following the month during which the energy was generated by the shared distributed generation resource. The investor-owned transmission and distribution utility shall provide a monthly record to the project sponsor of the credit applied to a subscriber within a month after the credits are applied to the subscriber's bill.

The monthly output available for allocation as subscribed or unsubscribed energy must be determined by a revenue-grade meter installed and paid for by the project sponsor.

4. Exemption. A project sponsor or subscriber is not considered a public utility or competitive electricity provider solely as a result of the project sponsor's or subscriber's interest or participation in a shared distributed generation resource.

5. Renewable energy credits. Prior to a project sponsor's entering into a contract with a subscriber under this section, the commission shall provide to the sponsor a standard disclosure to be distributed by the sponsor to all participating subscribers that describes the effect of selling the renewable attributes of exported electricity to the standard buyer and explains how a subscriber may participate in the voluntary renewable energy credit market. The commission shall establish a mechanism to allow a subscriber with a share of less than 25 kilowatts to purchase renewable energy credits up to the

amount of and of a substantially equivalent type to that which the subscriber has sold to the standard buyer at a price equal to 80% of market value.

6. Consumer protection. The commission shall establish by rule consumer protection standards to protect subscribers from fraud and other unfair and deceptive business practices. The commission may impose administrative penalties under chapter 15 upon a project sponsor and may order restitution for any party injured by a violation for which a penalty may be assessed pursuant to chapter 15.

The commission through its own counsel or through the Attorney General may apply to the Superior Court of any county of the State to enforce any lawful order made or action taken by the commission pursuant to this subsection, and the court may issue any preliminary or final order that the court determines proper.

7. Disclosures. Prior to the sale or resale of a subscription in a shared distributed generation resource or proposed shared distributed generation resource, a project sponsor selling or reselling the subscription shall provide a disclosure to potential subscribers that includes the following:

A. A good faith estimate of the annual kilowatt-hours to be delivered by the shared distributed generation resource based on the size of the subscriber's interest;

B. A plain language explanation of the terms under which the bill credit under section 3487 will be calculated;

C. A plain language explanation of the contract provisions regulating the disposition or transfer of the subscription; and

D. A plain language explanation of the costs and benefits to the potential subscriber, based on the subscriber's current usage for the term of the proposed contract.

The commission may establish a standard disclosure to be provided to potential subscribers by a project sponsor to disclose the information under this subsection and other information as the commission determines necessary to protect the interests of potential subscribers.

8. Transfer of subscriptions. A subscriber may transfer or assign a subscription to the associated project sponsor or to any person or entity that qualifies to be a subscriber in the shared distributed generation resource. A project sponsor must provide a process for assignment or transfer of a subscription. A project sponsor may not impose transfer fees on a subscriber that moves to a different location within the same utility service territory.

9. Project sponsor report. One year after commercial operation of a shared distributed generation resource commences, the project sponsor must submit to the commission a report detailing compliance with this subsection and subsections 3, 5, 7 and 8.

§3487. Bill credits; utility costs paid by project sponsor

1. Credit assigned to a customer's bill. If the value of a credit to be applied to a customer's bill under this chapter is less than the amount owed by the customer at the end of the applicable billing period, the customer must be billed for the difference between

the amount shown on the bill and the value of the available credit. If the value of the credit to be applied to a customer's bill under this chapter is greater than the amount owed by the customer at the end of the billing period, the remaining value of the credit must carry over from month to month.

2. Utility costs paid by project sponsor. If a project sponsor pays an investor-owned transmission and distribution utility's costs associated with billing and collection from a subscriber, at the request of the project sponsor the utility shall bill the subscriber on behalf of the project sponsor. Costs under this subsection are subject to review by the commission.

§3488. Rules

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

Sec. B-2. Rulemaking timeline. By January 1, 2020, the Public Utilities Commission shall adopt rules in accordance with the Maine Revised Statutes, Title 35-A, section 3488 to implement the provisions of Title 35-A, sections 3484, 3485 and 3486.

Sec. B-3. Appropriations and allocations. The following appropriations and allocations are made.

PUBLIC UTILITIES COMMISSION

Public Utilities - Administrative Division 0184

Initiative: Provides allocation for one Staff Attorney position and 2 Utility Analyst positions and associated All Other costs.

OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
POSITIONS - LEGISLATIVE COUNT	3.000	3.000
Personal Services	\$309,168	\$428,719
All Other	\$25,815	\$22,939
OTHER SPECIAL REVENUE FUNDS TOTAL	\$334,983	\$451,658

Public Utilities - Administrative Division 0184

Initiative: Provides funding for consulting services.

OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
All Other	\$400,000	\$400,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$400,000	\$400,000

PUBLIC UTILITIES COMMISSION DEPARTMENT TOTALS	2019-20	2020-21
OTHER SPECIAL REVENUE FUNDS	\$734,983	\$851,658
DEPARTMENT TOTAL - ALL FUNDS	<u>\$734,983</u>	<u>\$851,658</u>