1	L.D. 257
2	Date: (Filing No. H-)
3	ENERGY, UTILITIES AND TECHNOLOGY
4	Reproduced and distributed under the direction of the Clerk of the House.
5	STATE OF MAINE
6	HOUSE OF REPRESENTATIVES
7	128TH LEGISLATURE
8	SECOND REGULAR SESSION
9 10	COMMITTEE AMENDMENT "" to H.P. 190, L.D. 257, Bill, "An Act To Enable Municipalities Working with Utilities To Establish Microgrids"
11	Amend the bill by striking out the title and substituting the following:
12	'An Act To Allow Microgrids That Are in the Public Interest'
13 14	Amend the bill by striking out everything after the enacting clause and inserting the following:
15 16	'Sec. 1. 35-A MRSA §2305-B, sub-§§1 and 2, as enacted by PL 2001, c. 110, §2, are amended to read:
17 18 19 20 21 22	<b>1.</b> Transmission and distribution utilities; microgrids. A transmission and distribution utility or a person who constructs, maintains or operates a new microgrid approved in accordance with section 3351, subsection 3 may construct and maintain its lines in, upon, along, over, across or under the roads and streets in any municipality in which it is authorized to supply electricity, subject to the conditions and restrictions provided in this chapter and chapter 25.
23 24 25 26 27	<b>2.</b> Persons other than transmission and distribution utilities. A person other than a transmission and distribution utility or person who constructs, maintains or operates a new microgrid approved in accordance with section 3351, subsection 3 may not construct or maintain electric lines, including poles or other related structures, in, upon, along, over, across or under a road, street or other public way unless:
28	A. The person satisfies the requirements of section 2503;
29 30	B. The person or the person's contractor hired to construct the line provides to the applicable licensing authority a performance bond:
31 32	(1) In the amount of the value of the line, including poles or other related structures, to be located in the public way; and
33	(2) That is enforceable for one year from the date the line is energized;

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C. Prior to constructing the line, the person notifies the transmission and distribution utility in whose service territory the line is proposed to be built of the proposed location of the line; and

D. If a public utility objects to the line on the basis that it may constitute a duplication of existing transmission or distribution facilities or may interfere with the adequate and safe delivery of electricity to others, the commission issues a finding that the line is not a duplication of existing transmission or distribution facilities and does not interfere with the adequate and safe delivery of electricity to others. A finding is not required under this paragraph unless a public utility has objected in writing to the applicable licensing authority.

- 11 Sec. 2. 35-A MRSA c. 33-A is enacted to read:
- 12 <u>CHAPTER 33-A</u>
- 13 MICROGRIDS

#### 14 **§3351. Microgrids**

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- 15 <u>1. Definitions.</u> As used in this chapter, unless the context otherwise indicates, the
  16 <u>following terms have the following meanings.</u>
- A. "Distributed energy resources" means small-scale electrical generation sources
  located close to where the generated electricity is used.

B. "New microgrid" means a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the electric grid and can connect and disconnect from the electric grid to enable the new microgrid to operate in both electric grid-connected mode and nongrid-connected mode, also referred to as island mode, and that is constructed after April 1, 2018.

25 2. Microgrids, public utility exception. Notwithstanding section 2102 or any other
 26 provision of this Title, a person that constructs, maintains or operates a new microgrid
 27 approved under subsection 3 does not, as a result of furnishing service through that new
 28 microgrid to participating consumers, become a public utility and is not subject to
 29 regulation as a public utility under this Title.

- 30 3. Commission approval. The commission shall approve a petition to construct and
  31 operate a new microgrid if the commission finds that operation of the new microgrid is in
  32 the public interest and the new microgrid meets at least the following requirements:
- 33A. The proposed new microgrid will serve a total load of no more than 1034megawatts;
- 35B. The distributed energy resources for the new microgrid meet the portfolio36requirements in section 3210, subsections 3 and 3-A;
- 37 C. The person proposing the new microgrid demonstrates that the person has the
  38 financial capacity to operate the proposed new microgrid;
- 39D. The person proposing the new microgrid demonstrates the technical capability to40operate the proposed new microgrid;

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E. There is a relationship between the proposed new microgrid operator and 1 consumers within the area to be served by the proposed new microgrid; 2 3 F. The person proposing, owning or operating the new microgrid is not an investor-4 owned transmission and distribution utility, an affiliate of an investor-owned transmission and distribution utility or an affiliated interest of an investor-owned 5 transmission and distribution utility; and 6 7 G. The proposed new microgrid will not negatively affect the reliability and security 8 of the electrical system. 9 For the purposes of this subsection, when determining whether a proposed new microgrid is in the public interest, the commission may consider possible ratepayer effects, whether 10 positive or negative, benefits due to the increased resilience or reliability of the electric 11 12 grid, economic development benefits or any other factors the commission considers necessary to promote the public interest. 13 14 In granting its approval, the commission shall impose such terms, conditions or requirements on the construction, maintenance or operation of the new microgrid as, in its 15 16 judgment, it considers necessary. 17 4. Participant; grid protections. A new microgrid approved in accordance with subsection 3 is subject to commission oversight to ensure reliability and security of the 18 electrical system and consumer protections for new microgrid consumers. 19 Sec. 3. Report. The Public Utilities Commission shall submit a report by January 20 15, 2020 to the joint standing committee of the Legislature having jurisdiction over 21 energy and utility matters detailing its activities related to new microgrids as defined in 22 the Maine Revised Statutes, Title 35-A, section 3351, subsection 1, paragraph B, 23 including whether any new microgrids have been approved under Title 35-A, section 24 25 3351. The report must also include any recommendations for legislation that may be necessary to clarify or enhance the law regarding new microgrids. The committee may 26 report out a bill to the Second Regular Session of the 129th Legislature based on the 27 report.' 28 **SUMMARY** 29 30 This amendment is the majority report of the committee and it replaces the bill, which is a concept draft. It directs the Public Utilities Commission to approve a petition to 31 32

construct and operate a new microgrid if the commission finds the proposal to be in the public interest and the new microgrid meets other specified requirements. It provides the 33 commission with the ability to impose such terms, conditions or requirements as, in its 34 35 judgment, it considers necessary in approving a new microgrid and also gives the commission oversight to ensure reliability and security of the electrical system and 36 consumer protections for new microgrid consumers. It specifies that a new microgrid 37 does not become a public utility as a result of its furnishing electrical service to 38 participating consumers. It provides that a new microgrid that has been approved by the 39 40 commission may construct, maintain or operate its lines in, upon, along, over, across or

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- under the roads and streets. The amendment directs the Public Utilities Commission to 1 submit a report to the joint standing committee of the Legislature having jurisdiction over 2 3
- energy and utility matters by January 15, 2020.
- FISCAL NOTE REQUIRED 4
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(See attached)

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