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Legislative Document

No. 1073

S.P. 376

In Senate, March 24, 2015

**An Act To Lower Energy Costs and Increase Access to Solar Energy
for Agricultural Businesses**

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator SAVIELLO of Franklin.

Cosponsored by Senator: BREEN of Cumberland, Representatives: CAMPBELL of Orrington, DUCHESNE of Hudson, HARLOW of Portland, WELSH of Rockport.

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

2 **Sec. 1. 35-A MRSA §3209-A**, as enacted by PL 2011, c. 262, §1, is repealed and
3 the following enacted in its place:

4 **§3209-A. Net energy billing**

5 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
6 following terms have the following meanings.

7 A. "Agricultural business" means a person or business located in this State and
8 engaged in the commercial growing or harvesting of plants; raising of animals;
9 growing or obtaining plant or animal by-products; aquaculture, as defined in Title 12,
10 section 6001, subsection 1; or further processing, storing, packaging or marketing a
11 raw product derived from plants, animals, plant or animal by-products or aquaculture,
12 as defined in Title 12, section 6001, subsection 1, with the intent that the product be
13 sold or otherwise disposed of to generate income. "Agricultural business" includes a
14 business or activity that attracts visitors to a farm for the purpose of supplementing
15 income from the primary crop or livestock operation. "Agricultural business" does
16 not include a business engaged primarily in the growing, harvesting or further
17 processing of forest species of trees for the purpose of producing pulp or other
18 materials used in the paper manufacturing or wood manufacturing process.

19 B. "Net energy billing" means a billing and metering practice under which a
20 customer is billed on the basis of net energy over the billing period taking into
21 account accumulated unused kilowatt-hour credits from the previous billing period.

22 **2. Election of net energy billing.** A customer of a transmission and distribution
23 utility may elect to be billed using net energy billing.

24 **3. Agricultural businesses.** A customer of an investor-owned transmission and
25 distribution utility who is an agricultural business must be compensated for any
26 accumulated unused kilowatt-hour credits at the end of a 12-month period at a rate that
27 represents the value of wholesale electricity as determined by the commission by rule,
28 except that the commission may adjust the amount disbursed to a customer under this
29 section in order to offset the costs to the transmission and distribution utility to meet the
30 requirements of this section. A consumer-owned transmission and distribution utility
31 may elect to compensate a customer for any accumulated unused kilowatt-hour credits at
32 the end of a 12-month period in accordance with this section.

33 **4. Rules.** The commission may adopt or amend rules governing net energy billing.
34 Rules adopted or amended under this subsection are routine technical rules as defined in
35 Title 5, chapter 375, subchapter 2-A.

36 **Sec. 2. 35-A MRSA §10102, sub-§2-A** is enacted to read:

37 **2-A. Agricultural business.** "Agricultural business" means a person or business
38 located in this State and engaged in the commercial growing or harvesting of plants;
39 raising of animals; growing or obtaining plant or animal by-products; aquaculture, as
40 defined in Title 12, section 6001, subsection 1; or further processing, storing, packaging

1 or marketing a raw product derived from plants, animals, plant or animal by-products or
2 aquaculture, as defined in Title 12, section 6001, subsection 1, with the intent that the
3 product be sold or otherwise disposed of to generate income. "Agricultural business"
4 includes a business or activity that attracts visitors to a farm for the purpose of
5 supplementing income from the primary crop or livestock operation. "Agricultural
6 business" does not include a business engaged primarily in the growing, harvesting or
7 further processing of forest species of trees for the purpose of producing pulp or other
8 materials used in the paper manufacturing or wood manufacturing process.

9 **Sec. 3. 35-A MRSA §10121-A** is enacted to read:

10 **§10121-A. Solar Energy Agricultural Rebate Fund**

11 **1. Fund established.** There is established the Solar Energy Agricultural Rebate
12 Fund, referred to in this section as "the fund," to be used by the trust solely for the
13 purpose of providing rebates for cost-effective solar photovoltaic and solar thermal
14 technologies to agricultural businesses. The funding, use and administration of the fund
15 is governed by this section. Any interest on the funds in the fund must be credited to the
16 fund. Funds not spent in any fiscal year do not lapse but must remain in the fund to be
17 used for the purposes of this section.

18 **2. Funding.** The commission shall assess transmission and distribution utilities to
19 collect funds to be credited to the fund. The amount of all assessments by the
20 commission under this subsection must result in total program expenditures by each
21 transmission and distribution utility of 0.005¢ per kilowatt-hour. The commission shall
22 transfer all assessments received under this subsection to the fund.

23 **3. Administration; eligibility.** The trust shall administer rebates under this section
24 in accordance with the following.

25 A. The trust shall establish by rule criteria for determining solar photovoltaic and
26 solar thermal technology that is eligible for a rebate under this section.

27 B. The trust shall establish by rule criteria for determining eligibility of agricultural
28 businesses for rebates under this section. Rebates must be limited to persons who
29 meet the definition of "agricultural business" in section 10102, subsection 2-A and
30 are residents of the State and to businesses that meet the definition of "agricultural
31 business" in section 10102, subsection 2-A and are domiciled in this State. The trust
32 shall establish proof of residency and domicile requirements by rule.

33 Rules adopted pursuant to this subsection are routine technical rules as provided in Title
34 5, chapter 375, subchapter 2-A.

35 This section is repealed December 31, 2017.

36 **SUMMARY**

37 This bill establishes the Solar Energy Agricultural Rebate Fund to be used by the
38 Efficiency Maine Trust to provide rebates until December 31, 2017 for solar photovoltaic
39 and solar thermal technologies to agricultural businesses. It provides that an agricultural

1 business that is a customer of an investor-owned transmission and distribution utility
2 must be compensated for accumulated unused kilowatt-hour credits every 12 months. It
3 also authorizes customers of transmission and distribution utilities to elect to be billed
4 using net energy billing.