

MAJORITY OUGHT TO PASS AS AMENDED REPORT ON LD 1444: A simple solar fix.

The objectives behind the Majority Ought to Pass as Amended Report for LD 1444 are really quite simple:

- 1) Addresses most (if not all) concerns of opponents. This report comes in the form of an amendment to LD 1444 which was carried over from last session and is properly before the Legislature. It does NOT put net metering into statute. It does NOT raise revenue for the treasury and thus does NOT violate any constitutional provisions regarding what chamber an appropriations bill must originate in. Both Representative Berry and Senator Saviello's solar bills have been voted ought not to pass, so this is the only remaining piece of solar legislation. The objectives in this report have been vetted thoroughly by the EUT Committee in the 128th Legislature.
- 2) Gross metering, which is scheduled to begin March 16, is essentially a TAX on the self-consumption of any kind of power (not just solar). There is almost universal opposition to the concept of gross metering amongst stakeholders, including large industrial consumers of energy and CMP itself. This report would implement a prohibition on gross metering. CMP testified in favor of this type of prohibition.
- 3) Nearly everyone seems to agree that the current cap on community solar of 10 participants is arbitrary and limits municipalities and others from pursuing cost-effective projects. When the PUC proposed a 1,000-meter cap in their draft rule, CMP (October 2016) submitted comments to the PUC that they could live with a cap of 200. This report seeks to increase the community cap from only 10 to 50. That's only 1/4 of what CMP has previously stated would work for them.
- 4) Finally, the report ensures that this is truly a "clean" prohibition on gross metering and a very modest lift to the community cap only. This report keeps the rest of the PUCs rule intact, including the step down reductions in bill credits which is favorable to utilities because it addresses what they refer to as a cost shift. Naturally, it provides the PUC with time to process a rate design case for CMP, which is anticipated to begin in 2018. And finally, this all gives Maine solar companies some modest level of predictability for the short term while at the same time benefiting ratepayers by avoiding significant costs associated with gross metering.

Action now makes sense because the new rule, with gross metering, is going to take effect March 16. If the Legislature does not act, the behind-the-meter tax is going to start and ratepayers will have to start paying for extra meters associated with gross metering. Let's avoid that future stranded cost. This is a chance to take very minor action to avert a bad outcome for ratepayers, utilities, and solar supporters alike.

That's it.

Distributed at the request of Representative Lance Harvell

LD 1444, An Act To Prohibit Gross Metering

Sec. 1. 35-A MRSA §3209-A, is 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 routine technical 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 net energy over the billing period taking into account accumulated unused kilowatt-hour credits from the previous billing period.

1. Billing based on gross output prohibited. A customer may not be required to meter the gross output of a facility used for net energy billing purposes in order to participate in net energy billing. Net energy for a net energy billing customer must be calculated based on the difference between the kilowatt-hours delivered by a transmission and distribution utility to that customer over a single billing period and the kilowatt-hours exported by that customer to the transmission and distribution utility over that same billing period, taking into account accumulated unused kilowatt-hour credits from the previous billing period. For the purposes of this subsection, "gross output" means all of the energy generated by a facility used by a net energy billing customer for net energy billing purposes during an applicable period, including all energy that is used to offset the usage of that customer.

2. Shared interest. In the service territory of an investor-owned transmission and distribution utility, the number of net energy billing customers that participate in net energy billing through a shared interest or the number of meters associated with a shared interest may not exceed 50. For the purposes of this subsection, "shared interest" means an interest in a facility used for net energy billing purposes shared by multiple net energy billing customers that have distinct billing accounts with an investor-owned transmission and distribution utility. This subsection is repealed July 1, 2020.

Sec. 2. Rules. The Public Utilities Commission shall amend its net energy billing rules by October 1, 2018 to conform with the Maine Revised Statutes, Title 35-A, section 3209-A, subsections 1 and 2. The commission may not make any other changes to rules adopted pursuant to Title 35-A, section 3209-A except as required by this section until July 1, 2020.

SUMMARY

This amendment is the majority report of the committee, and it replaces the bill and changes the title. It prohibits a transmission and distribution utility from requiring a customer to meter the gross output of a facility used for net energy billing purposes in order to participate in net energy billing. It specifies that net energy is calculated based on the difference between the kilowatt-hours delivered by a transmission and distribution utility to a customer over a single billing period and the kilowatt-hours exported by that customer to the transmission and distribution utility over the same billing period, taking into account unused kilowatt-hour credits. In the service territory of an investor-owned transmission and distribution utility, it limits the number of net energy billing customers that may participate in net energy billing through a shared interest or the number of meters associated with a shared interest to 50 until July 1, 2020. It requires the Public Utilities Commission to amend its net energy billing rules by October 1, 2018 to conform with these provisions. It prohibits the commission from making any other changes to its net energy billing rules until July 1, 2020.