

Omnibus Energy Bill Overview



LD 1559, "An Act to Reduce Energy Costs, Increase Energy Efficiency, Promote Electric System Reliability and Protect the Environment" was passed by the Legislature on June 26.

RGGI Funds

- Repeals \$5/ton ceiling on revenues directed to EMT
- Allocates revenues for FY14, 15, and 16 with the following formula:
 - 50% to "reduce electricity consumption or reduce greenhouse gas emissions and lower energy costs at commercial or industrial facilities"
 - 35% for "measures that lower residential heating energy demand and reduce GHG emissions"
 - 15% to the PUC to be disbursed to ratepayers

"The 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."

Triennial Plan

- Requires EMT to identify all achievable cost-effective energy efficiency savings (electric and gas) and the costs and benefits;
- Requires utilities to provide data for designing, implementing or evaluating programs;
- Requires PUC to review Plan through an adjudicatory proceeding and incorporate sufficient revenue in utility rates to procure cost-effective savings identified in Plan;
- Modifies "Targets"

Electric Conservation Fund

- Directs portion of Maine Yankee settlement funds received by utilities to Efficiency Maine
 - 55% of funds received in FY14 and FY15
 - \$2 million in FY16
 - To be used for electric efficiency and conservation programs in accordance with the Triennial Plan (Exception for MPS to extent payment exceeds its proportional share of load)
- Repeals the Base SBC and the old "All Cost Effective" process (effective 7/1/15)
- Requires procurement of "all electric energy efficiency resources found by the commission to be cost-effective, reliable and achievable" (effective 1/1/15)
- Sets cap of procurement cost at 4% of Maine's total retail electricity T&D sales
- Establishes costs of procurement as "just and reasonable element of rates"

Natural Gas Conservation

- Repeals the 5,000 customer threshold below which utilities are exempted from participating in the Conservation Fund
- Repeals the fixed funding level of 3% of distribution revenues
- Sets funding level at “an amount necessary to capture all cost-effective energy efficiency that is achievable and reliable”

Low Income and Small Business (Electric Conservation)

- Adjusts minimum funding to 10 percent of total electric conservation budget or \$2.6 million (whichever is greater)

Long-Term Contracts — Efficiency Maine Contract for Capacity Resources

- Provides legislative approval for the PUC Order for a Long-Term Contract for capacity resources between the electric utilities and Efficiency Maine
- Future Long-Term Contracts for Efficiency Capacity:
 - Requires the PUC to conduct a stakeholder group review of allocation of costs for future long-term contracts for energy efficiency resources and recommendations to Legislature
 - Prohibits awarding future contracts until process recommendations have been reported

Future Targets for TriPlan

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 whose owners or occupants are willing to participate in and share the costs of cost-effective home weatherization to a minimum standard of weatherization, as defined by the trust, by 2030;
- (3) Reducing peak-load demand for electricity through trust programs by 300 megawatts by 2020;
- (4) By 2020, achieving 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 approved by the commission under section 10120;
- (5) Creating stable private sector jobs providing alternative energy and energy efficiency products and services in the State 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 [statute].

(Areas of amendment noted in underline)



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