

SUPPORT

LD 1215: An Act to Provide Lower Energy Costs to Maine Businesses and Residences by Carrying Out the Legislature's Intent Regarding Funding of the Efficiency Maine Trust

Sponsor: Rep. GIDEON of Freeport

Co-Sponsors: Senators KATZ of Kennebec, DIAMOND of Cumberland; Rep. DUNPHY of Embden

Summary: This bill restores a single word (“and”) which was omitted in a typographical error, made between the time the 2013 Omnibus energy bill was voted on by the Energy & Utilities Committee and when the law was enacted into law. The typographical error relates to the formula in the bill for an upper limit on ratepayer funding for energy efficiency programs that could be approved by the Public Utilities Commission. The committee intended the limit to be approximately \$60 million/year in ratepayer funding (although the actual amount would be based on an analysis of costs and benefits.) Absent the missing word, the Commission has interpreted the formula as a limit of \$22 million/year. Absent a correction, efficiency funding will be reduced below the current level of \$40 million.

Explanation: The Omnibus energy bill was a carefully negotiated set of energy policies agreed to by Democrats, Republicans, industrialists, environmentalists and others. It restructured how energy efficiency was funded in order to maximize electricity savings for residential and businesses consumers. The bill also included authority for Maine to potentially participate in financing for a natural gas pipeline into New England to serve power plants. As such, it was a difficult balance that required all parties to work together in the spirit of compromise. The bill was vetoed by Governor LePage and then overridden by the House and Senate.

Given the Public Utilities Commission’s unfortunate misinterpretation of the law, the energy efficiency portions of the Omnibus bill will effectively be negated without restoration of the missing word. There is no dispute about the energy efficiency limit *intended* by the Energy & Utilities Committee, and no dispute that the word was left out *by accident, after* the Committee voted on the bill with the “and” in place. There is little debate about the negative consequences for energy consumers and job creators if efficiency funding is cut. Therefore the only real dispute in the current Legislature is whether or not to attach new policies, particularly those now sought by the Governor in a different bill, as a condition for restoring the missing word.

NRCM opposes any effort to attach new policies and conditions to correct a typo in a carefully balanced agreement on past legislation. Instead the legislature should swiftly pass LD 1215 with its simple, straightforward one-word fix.

If the Commission’s interpretation is not reversed soon (either by the Legislature or by the courts), it will radically limit Efficiency Maine’s next 3-year plan and budget to be developed by this fall. If the \$22 million cap stays in place, the Plan will not be able to maximize savings as intended. Energy consumers will pay \$250 million in *higher energy bills* from missed efficiency savings in just those 3-years (an amount that could grow to \$1 billion over 10 years.) Hardest hit may be efforts to help homeowners lower heating costs, programs for industrial energy uses, and an intensive initiative to help hard-to-reach small businesses invest easily in efficiency upgrades. Furthermore, scores of energy efficiency businesses have begun to expand and hire new workers as a result of the predictable, long-term energy efficiency programs now being ramped up. Without a correction, many of these jobs will be lost and the opportunity to increase good paying jobs in an important clean energy sector will be forfeited.