

5. MAINE

(1999 Utility Statistics from www.eia.doe.gov)

Population (2001 Census Estimate):	1,286,670
Net Summer Capability (MW)	2,956
Electricity Consumption (MWh)	15,530,372

	Investor- Owned	Public	Federal	Coop- erative	Total
Number of Utilities	3	5	0	3	11
Percentage of Retail Sales	95.6	3.4		1.0	100.0

Mechanism:	Ratepayer charge with floor and cap
Creation:	Legislative
Duration:	statutorily defined as non-lapsing; no sunset
Administration:	Maine Public Utilities Commission
Budget:	\$14million+/-, once earlier DSM programs are paid for
Program Name:	Efficiency Maine
Benefit Cost Test:	Modified Societal Benefits
Utility Incentives:	None

Survey Questions

1. Process and timeline

Legislation passed in May 1997 required resulting T&D utilities to implement conservation programs consistent with a plan to be developed by the State Planning Office (SPO). PL2001, Chapter 624 (the Act) made the Maine Public Utility Commission ("PUC") responsible for the planning, design, and implementation of the electrical energy conservation programs, effective April 2002. All interim programs must terminate or meet criteria to become ongoing programs by December 2003.

2. Organizational Structure

Maine Public Utilities Commission (PUC)

The Act gives the PUC responsibility for developing and implementing conservation programs consistent with an overall energy strategy developed by the PUC. The Act directs the PUC to implement programs by contracting with service providers. The Act does not require the PUC to be the administrative entity, but the PUC has chosen to perform that function at the present time.

The Act directs the PUC to establish a conservation administration fund, from utility

assessments of not more than \$1.3million/year. Due to state deficit issues, the Legislature is expected to use close to half the conservation administration fund for other state expenses. As a result, in 2003 the conservation administration budget will be about \$700,000.

Presently the Energy Efficiency Team (“EE Team”) at the PUC is composed of 3 full-time staff members (3 FTE) and 6 staff who contribute the equivalent of 1.5 FTE for a total of 4.5 FTE effort. All PUC staff who perform work related to the conservation programs bill their hours to the conservation administration fund.

Transmission and Distribution Utilities ("utilities")

All utilities in the State of Maine, including publicly owned utilities, pay into the Conservation Fund established by the PUC. The utilities continue to operate all conservation efforts authorized by the PUC prior to March 1, 2002, until their contracts expire or they are accepted by the PUC as interim or ongoing programs.

Advisory Board

There is no Advisory Board. The PUC solicits feedback through the usual PUC proceedings, as well as an extensive service list/e-mail list and their website.

3. Funding mechanisms

The Act requires the PUC to assess the utilities to collect funds for conservation and administration. The PUC determines the assessment amount. The funds are to be collected in rates. For each utility, the amount of assessment plus utility expenditures for prior PUC-approved conservation efforts must be no less than 0.5% of the utility's total revenues and no more than 1.5mills/kWh. Presently only one utility in the state is assessed at the ceiling level of 1.5mills/kWh. The other utilities are closer to the 0.5% revenue floor, which translates to about 0.3-0.4mills/kWh.

The utilities will be assessed \$13.6million in 2003. However, energy conservation expenditures/commitments in 2003 could top \$19million, due to the existence of \$6million in conservation funds set aside under the previous statute.

The 2003 budget is tentatively estimated to be:

\$6.1million	(collected prior to the Act; committed to interim programs)
\$8.4million	(2003 assessments; prior utility commitments/programs*)
\$0.7million	(2003 assessments; administration fund)
\$4.6million	(2003 assessments; available for PUC programs)

*Note: over \$7million in 2003 expenditures will be paying for CMP's Power Partners contracts. These will decrease significantly in 2004, then decrease gradually until full expiration in 2012.

4. Degree of association with a long run resources plan

Since the Restructuring Act passed there has been no Integrated Resource Planning.

5. Guidelines for program effectiveness and success

The Act gives many guidelines for program success, including:

Conservation programs are defined as those reducing inefficient electricity use.

Programs must be cost effective, as defined by the PUC.

They must be consistent with an overall energy strategy developed by the PUC.

Programs should be considered that:

Increase consumer awareness of cost-effective options for conserving energy;

Create more favorable conditions for the increased use of efficient products and services; and

Promote sustainable economic development and reduced environmental damage.

The PUC shall:

Target 20% of funds to programs for low-income residential consumers;

Target 20% of funds to programs for small business consumers; and

To the extent practicable, apportion the remaining funds among customer groups and geographic areas such that all other customers have a reasonable opportunity to participate in one or more programs.

6. Pre-implementation program evaluation guidance

In September 2002, the PUC has directed the EE Team to :

Develop tracking and evaluation criteria and procedures for each program; and

Evaluate programs to a level sufficient for business decision-making.

In November 2002, the PUC adopted the Modified Societal Test to measure cost-effectiveness of the energy conservation programs.

Specific goals for kWh savings and other measures will be included in the Energy Conservation Plan that will be completed by mid-2003.

7. Results of program evaluation

The program is too new to have program results yet, but the EE Team expects to utilize third-party evaluators.

8. Financial or performance incentives

There are no financial incentives for utilities.

Interim Programs (with cooperating entities noted)

Low income lighting program. (Maine State Housing Authority)
Low income refrigerator replacement. (MSHA and CAP agencies)
Residential energy efficient lighting.
Small business energy conservation loan program. (Department of Economic and Community Development)
Small business program.
Large C&I program.
Building operator certification. (Public schools statewide, expanded to higher ed and non profit hospitals and municipalities in Aroostook.) NEEP conducts program.
New school construction. (Maine Department of Energy and Maine School Management Association)
State building survey and retrofit.
LED traffic light program. (Maine Department of Transportation)
Maine Energy Education Program.
Maine Energy Curriculum Investigation. (Maine Math and Science Alliance)

Resources

Maine Statute Title 35-A, Chapter 32 Section 3211 (the “Act”)

<http://janus.state.me.us/legis/statutes>

Maine Public Utilities Commission

207-287-3831

www.state.me.us/mpuc/homepage.htm

Many resources can be accessed through this website, including:

Order Establishing Goals, Objectives and Strategies for Conservation Programs,
Docket 2002-162, September 24, 2002

Order Amending Chapter 380 of the Rules, “Statement of Factual and Policy Basis,” November 6, 2002

2002 PUC Conservation Report presented to the Utilities and Energy Committee,
December 1, 2002

Efficiency Maine Program Update, February 3, 2003

Commission Staff Report on the Potential for Energy Efficiency in Maine and Recommendations for Conservation Program Funding, Docket 2002-162, February 11, 2003

Resource for this paper:

Phil Hastings, Efficiency Maine Program Director until April, 2003

Future inquiries should be directed to:

Linda Viens, Program Manager, Efficiency Maine

207-287-7327, linda.viens@maine.gov

See also the new website: www.energymaine.com