

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2002-162

April 26, 2002

PUBLIC UTILITIES COMMISSION
Procedures for Conservation Program Planning

PROPOSED ORDER
ESTABLISHING PROCEDURE
AND SCHEDULE FOR
CONSERVATION PROGRAMS
IMPLEMENTED PURSUANT TO
P.L. 2001, CH. 624

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

This Proposed Order considers the procedure and the schedule that the Maine Public Utilities Commission will follow to develop an electric energy conservation plan pursuant to P.L. 2001, ch. 624. Comments on this Proposed Order are due by May 17, 2002. After reviewing comments we will issue a procedural order setting a process and schedule.

II. BACKGROUND

P.L. 2001, ch. 624, (the Conservation Act)¹ enacted during the second session of the 120th Legislature, establishes terms that govern an electric energy conservation program in Maine. Section 4 of ch. 624 which enacts 35-A M.R.S.A. § 3211-A, directs the Maine Public Utilities Commission (Commission) to develop and implement electric energy conservation programs that are consistent with the goals and objectives of an overall energy conservation program strategy that the Commission must establish. The programs must be cost effective, according to a definition that the Commission also must establish. Various other statutory directives require the Commission to promulgate rules and hold public hearings.

To carry out our responsibilities under the Conservation Act, the Commission must complete a variety of proceedings during 2002. The purpose of this Proposed Order is to describe these proceedings, as well as a proposed process and schedule to conclude these proceedings. We invite comment on our proposed process and schedule. After we review any comments, we will issue a Final Order.

¹ The Conservation Act is contained in Appendix A.

III. PROCEEDINGS

We divide our conservation-related proceedings into three types: non-adjudicatory proceedings, rulemakings, and adjudicatory proceedings.

A. Non-adjudicatory Proceedings

1. Objectives and Overall Energy Strategy

Section 3211-A(2) of Title 35-A requires that the Commission establish objectives and an overall energy strategy for conservation programs and that programs we implement are consistent with our objectives and strategy.

2. Cost Effectiveness

Section 3211-A(2) also requires that programs we implement be cost effective, as defined by the Commission by rule or order. We intend to define "cost effectiveness" by order, at the conclusion of a non-adjudicatory proceeding.

We propose to establish objectives and overall strategy and define cost effectiveness in one proceeding. We propose the following process:

Commission issues Notice of Inquiry, presenting relevant issues and our preliminary views on resolving them	mid-May
Written comments from interested persons	early June
Public hearing for interested persons to provide oral comments and to answer questions by Commissioners and Advisors	early June
Proposed Order establishing Objectives and Strategy and defining Cost Effectiveness	early July
Comments on Proposed Order from interested persons	late July
Commission issues Final Order	late August

3. Conservation Plan (including Funding Level)

The Commission must consider and develop a program plan, a list of conservation programs that are consistent with our objectives and strategy, are cost effective, and fit within the funding level we establish, and the means by which we will implement these programs. We will develop our program plan, and establish the funding level, by means of a non-adjudicatory proceeding, that necessarily must wait for us to establish our objectives and overall strategy, and define cost effectiveness. As part of each program, we also must decide the methods by which we will evaluate the program.

Section 3211-A(4) establishes guidelines that the Commission will use to determine the assessment to be imposed on transmission and distribution (T&D) utilities to fund the conservation programs implemented pursuant to the Act. The guidelines include an upper limit and a lower limit on the assessment, and allow differing assessments among T&D utilities. We must determine the appropriate assessment level for each T&D utility.

The Act does not prohibit using funds collected from one T&D utility to implement programs in another utility's service territory. We must also determine the extent to which we will disaggregate the statewide Conservation Fund into funds targeted to the territories in which they were collected.

We propose to establish assessment levels and address service area targeting as part of the non-adjudicatory, program plan proceeding. To inform our funding decisions, we intend to hire a consultant to carry out an Economic Potential Study to estimate the potential cost effective kWh savings in Maine.

We propose the following process for our initial program plan proceeding:

Hire consultant for study	June
Advisory Staff engage in informal input and inquiry	June to August
Study completed	August
Commission issue Notice of Inquiry, presenting relevant issues and our preliminary views on resolving them	September

Written comments from interested persons on proposed plan and funding levels	early October
Public hearing for interested persons to give oral comments and to answer questions posed by Commissioners and Advisors	early October
Commission issues Proposed Conservation Program Plan	late October
Comments on Proposed Plan	early November
Commission issues Final Conservation Program Plan	November

B. Rulemaking

1. Define by rule low-income residential customers and small business consumers

Section 3211-A (2)(B) requires that the Commission define “low-income residential consumers” and “small business consumers” by rule.

2. Adopt rule establishing procedures governing selection of service providers

Section 3211-A (3)(C) exempts the Commission from rules adopted by the State Purchasing Agent when selecting service providers to implement conservation programs. Instead, the Commission will adopt its own rule to govern the solicitation process.

The Commission plans on conducting one rulemaking proceeding for both of these matters. We believe that the rulemaking can be conducted concurrently with the non-adjudicatory proceedings described earlier. We propose the following process:

Commission issues Notice of Inquiry, May
presenting relevant issues and our preliminary
views on resolving them

Written comments from interested persons early June

Public hearing for interested persons to provide oral comments and to answer questions by Commissioners and Advisors	early June
Commission consultation with State Purchasing Agent	June
Begin formal rulemaking	June
Commission adopts final rule	late August

C. Adjudicatory Proceedings

1. Review and approve employee transition benefit plan

Section 6 of the Act allows T&D utilities to establish transition benefit plans for its conservation-related employees. Such a plan must be filed with the Commission within 120 days of the effective date of the Act. The Commission must review each plan, and if the Commission finds it reasonable, the Commission must approve the plan. If any employee transition plans are filed, the Commission will conduct the review of the plans as adjudicatory proceedings. We will identify issues and schedule for any such proceedings in an initial case conference.

IV. OTHER DECISIONS

The Commission also must perform various administrative tasks to implement the Act. The Commission is directed to:

1. Secure sufficient technical and advisory expertise by
 - a. contracting with other entities;
 - b. forming an advisory group; or
 - c. any other reasonable means.
2. Coordinate its efforts with other State agencies with energy-related responsibilities.
3. Monitor conservation planning and program development in the region and the country.
4. Participate in region-wide coordination of programs if the Commission finds such participation sufficiently beneficial.

5. Establish the conservation program fund and the conservation administrative fund, and assess T&D utilities to collect funds to pay for programs and administrative costs.

We invite interested persons to comment on the most effective means of carrying out these directives.

V. INDUSTRY AND STAKEHOLDER INPUT

Notwithstanding the Act's requirement that the Commission secure technical and advisory expertise as discussed earlier, there may be other avenues by which the Commission may obtain information relevant to the development of the statewide conservation plan. We invite interested persons to comment on the most effective and efficient means by which we may obtain useful information, both initially and on an ongoing basis.

VI. PROCEDURE FOR REACHING DECISIONS IN FINAL ORDER

The Commission issues this Proposed Order to obtain comments from interested persons regarding the procedures by which we will comply with P.L. 2001, ch. 624 by developing a statewide electric energy conservation plan. Interested persons should submit comments to the Commission's Administrative Director, 242 State St., Augusta, Maine 04333, no later than May 17, 2002.

The Commission will consider the written comments and will issue a comprehensive procedural order that sets the process and schedule we will follow to develop our electric energy conservation plan. That process and schedule will, of course, be dynamic.

The Commission's Administrative Division will maintain a service list for this docket. Persons on the service list will receive all documents issued by the Commission or the Presiding Officer. Any person who wishes to be added to the service list for this docket should file a letter with the Commission's Administrative Director, 242 State St., Augusta, Maine 04333, asking to be added to the service list. The petition should refer to Docket No. 2002-162. This Order shall be sent to all T&D utilities in Maine and to all persons the Commission has identified as participating in the State Planning Office information sessions during its two-year planning process.

