**§3351. Microgrids**

**1. Definitions.**  As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

A. "Distributed energy resources" means small-scale electrical generation sources located close to where the generated electricity is used, energy storage resources, energy efficiency resources or demand response resources. [PL 2021, c. 236, §5 (NEW).]

B. "New microgrid" means a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the electric grid and can connect and disconnect from the electric grid to enable the new microgrid to operate in both electric grid-connected mode and nongrid-connected mode, referred to in this chapter as "island mode," and that is constructed after October 1, 2020. [PL 2021, c. 236, §5 (NEW).]

[PL 2021, c. 236, §5 (NEW).]

**2. Microgrids, public utility exception.**  Notwithstanding section 2102 or any other provision of this Title to the contrary, a person that constructs, maintains or operates a new microgrid approved under subsection 3 does not, solely as a result of furnishing service through that new microgrid to participating consumers, become a public utility and is not subject to regulation as a public utility under this Title.

[PL 2021, c. 236, §5 (NEW).]

**3. Commission approval; requirements.**  A person may not construct or operate a new microgrid without commission approval in accordance with this subsection.

A. The commission shall approve a petition to construct and operate a new microgrid if the commission finds that operation of the new microgrid is in the public interest and the new microgrid meets at least the following requirements:

(1) The proposed new microgrid will serve a total load of no more than 10 megawatts, except that the commission may approve no more than 2 new microgrids that each serve a load greater than 10 megawatts but no more than 25 megawatts;

(2) The proposed new microgrid is located in the service territory of a transmission and distribution utility with more than 50,000 customers;

(3) The distributed energy resources for the new microgrid meet the applicable portfolio requirements in section 3210, subsections 3, 3‑A, 3‑B and 3‑C;

(4) Any distributed energy resources constructed after the effective date of this subsection for the new microgrid are a renewable capacity resource as defined in section 3210, subsection 2, paragraph B‑3 or a renewable resource as defined in section 3210, subsection 2, paragraph C;

(5) The person proposing the new microgrid demonstrates that the person has secured the financial capacity to operate the proposed new microgrid;

(6) The person proposing the new microgrid demonstrates that the person has secured the technical capability to operate the proposed new microgrid;

(7) There is a contractual relationship between the proposed new microgrid operator and consumers within the area to be served by the proposed new microgrid; and

(8) The proposed new microgrid will not negatively affect the reliability and security of the electric grid.

For the purposes of this paragraph, when determining whether a proposed new microgrid is in the public interest, the commission shall consider possible ratepayer effects, whether positive or negative; benefits due to the increased resilience or reliability of the electric grid; economic development benefits; and any other factors the commission considers necessary to promote the public interest. [PL 2021, c. 236, §5 (NEW).]

B. As a condition of approval of a new microgrid, the commission shall:

(1) Require that any increase in costs to the electric transmission and distribution system in the State as a result of the new microgrid must be fully recovered from the person approved under this subsection to construct, maintain or operate the new microgrid and customers of the microgrid and may not be passed on to other electric ratepayers; and

(2) Impose any other terms, conditions or requirements on the construction, maintenance or operation of the new microgrid as, in its judgment, it considers necessary, which may include but are not limited to parameters regarding the ability of the new microgrid to enter island mode, as defined by the commission by rule, and the operation of the new microgrid in grid-connected mode and island mode. [PL 2021, c. 236, §5 (NEW).]

[PL 2021, c. 236, §5 (NEW).]

**4. Commission oversight; grid protections; consumer protections.**  A new microgrid approved in accordance with subsection 3 is subject to commission oversight to ensure reliability and security of the electric grid and consumer protections for customers of the new microgrid.

[PL 2021, c. 236, §5 (NEW).]

**5. Services.**  Services provided by a new microgrid may include, but are not limited to:

A. Standby electric service, as defined by the commission by rule, when the new microgrid is operating in island mode; and [PL 2021, c. 236, §5 (NEW).]

B. Selling electricity as a competitive electricity provider when the new microgrid is operating in grid-connected mode. [PL 2021, c. 236, §5 (NEW).]

[PL 2021, c. 236, §5 (NEW).]

**6. Rulemaking.**  The commission may adopt rules to implement this section. Rules adopted under this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2‑A.

[PL 2021, c. 236, §5 (NEW).]

SECTION HISTORY

PL 2021, c. 236, §5 (NEW).

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