

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



# 121st MAINE LEGISLATURE

## SECOND SPECIAL SESSION-2004

---

Legislative Document

No. 1929

H.P. 1429

House of Representatives, March 16, 2004

**An Act To Promote Economic Development in the State by  
Encouraging the Production of Electricity from Renewable and  
Indigenous Resources**

---

Reference to the Committee on Utilities and Energy suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative LUNDEEN of Mars Hill. (GOVERNOR'S BILL)  
Cosponsored by Senator KNEELAND of Aroostook and  
Representative: DUGAY of Cherryfield, Senator: EDMONDS of Cumberland.

2  
3 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 35-A MRSA §3210, sub-§1**, as amended by PL 1999, c.  
398, Pt. I, §1, is further amended to read:

6 **1. Policy.** In order to ensure an adequate, secure and  
7 reliable supply of electricity for Maine residents, to encourage  
8 economic development opportunities in this State, to reduce  
9 greenhouse gas emissions from the State's electricity supply  
10 portfolio and to ~~encourage~~ maintain and increase the use of  
11 renewable, efficient and indigenous resources, it is the policy  
12 of this State to encourage the generation of electricity from  
13 renewable and efficient sources and to diversify electricity  
14 production on which residents of this State rely in a manner  
consistent with this section.

16 **Sec. 2. 35-A MRSA §3210, sub-§2, ¶C**, as repealed and replaced  
17 by PL 1999, c. 398, Pt. I, §2, is repealed and the following  
18 enacted in its place:

19 C. "Renewable resource" means a source of electrical  
20 generation whose total power production capacity does not  
21 exceed 100 megawatts and that relies on one or more of the  
22 following:

23 (1) Fuel cells;

24 (2) Tidal power;

25 (3) Solar arrays and installations;

26 (4) Wind power installations, as long as at least 50%  
27 of the power is generated on land owned by a tribe that  
28 was federally recognized after January 1, 1979;

29 (5) Geothermal installations;

30 (6) Landfill gas;

31 (7) Hydroelectric generators;

32 (8) Biomass generators; or

33 (9) Generators fueled by municipal solid waste in  
34 conjunction with recycling.

35 **Sec. 3. 35-A MRSA §3210, sub-§3**, as amended by PL 1999, c.  
36 398, Pt. I, §3, is repealed and the following enacted in its  
37 place:

2 3. Tier 1 portfolio requirement. As a condition of  
licensing pursuant to section 3203, each competitive electricity  
4 provider in this State must demonstrate in a manner satisfactory  
to the commission that the competitive electricity provider meets  
6 the Tier 1 portfolio requirement. For purposes of this section,  
the Tier 1 portfolio requirement is met if at least 30% of each  
8 competitive electricity provider's portfolio of supply sources  
for retail electricity sales in this State is accounted for by  
eligible resources.

10 **Sec. 4. 35-A MRSA §3210, sub-§3-A** is enacted to read:

12 3-A. Tier 2 portfolio requirements. Beginning March 1,  
14 2005, as a condition of licensing pursuant to section 3203, each  
competitive electricity provider in this State must demonstrate  
16 in a manner satisfactory to the commission that the competitive  
electricity provider meets the Tier 2 portfolio requirement. For  
18 purposes of this section, the Tier 2 portfolio requirement is met  
if at least 1% of the competitive electricity provider's  
20 portfolio of supply sources for retail electricity sales in this  
State is accounted for by the resources listed in subsection 2,  
22 paragraph C, subparagraphs (1) to (6). This percentage increases  
by 1/2% each March 1st until it reaches 5% on March 1, 2013.

24 **Sec. 5. 35-A MRSA §3210, sub-§4,** as amended by PL 1999, c.  
26 398, Pt. I, §3, is repealed.

28 **Sec. 6. 35-A MRSA §3210, sub-§§4-A to 4-D** are enacted to read:

30 4-A. Ineligible resources. If a competitive electricity  
32 provider represents to a customer that the provider is selling to  
the customer a portfolio of supply sources that includes more  
34 than 30% eligible resources, the resources necessary to supply  
more than 30% of that customer's load may not be applied to meet  
36 the aggregate 30% portfolio requirement.

38 4-B. Alternative compliance mechanism. Beginning March 1,  
2005, a competitive electricity provider may meet all or part of  
40 the Tier 2 portfolio requirements under subsection 3-A by making  
an alternative compliance payment to the Maine Renewable Power  
42 Fund established in subsection 4-C. The payment to meet any  
unmet requirements is calculated by multiplying the unmet  
44 megawatt hour requirement for the Tier 2 portfolio requirement by  
\$35 per megawatt hour. The commission shall determine whether,  
46 due to changes in electricity markets or the changes in law, the  
alternative compliance amounts established in this subsection  
48 should be increased or decreased in order to ensure that the  
goals of this section are being achieved at the lowest cost to

2 ratepayers in the State. In making this determination the  
3 commission shall consider the total installed megawatts and the  
4 megawatt hours generated by efficient resources and renewable  
5 resources in the State. The commission shall submit its findings  
6 along with any recommended legislation to the joint standing  
7 committee of the Legislature having jurisdiction over utilities  
8 and energy matters by December 15, 2007.

10 **4-C. Maine Renewable Power Fund.** There is established the  
11 Maine Renewable Power Fund, referred to in this subsection as  
12 "the fund." The fund is a nonlapsing fund. The commission shall  
13 administer the fund and disperse payments made by competitive  
14 electricity providers to meet any unmet Tier 2 portfolio  
15 requirement to resources eligible for the Tier 2 portfolio  
16 requirement in the form of per megawatt hour support payments.

18 **4-D. Credit trading.** Beginning March 1, 2005, the  
19 commission shall allow competitive electricity providers to  
20 satisfy the portfolio requirements of subsection 3-A through  
21 renewable energy credits if the commission determines that a  
22 reliable system of electricity attribute trading exists.

24 **Sec. 7. 35-A MRSA §3210, sub-§7** is enacted to read:

26 **7. Rules.** The commission shall adopt rules necessary to  
27 implement this section, including rules governing the  
28 disbursement of money from the Maine Renewable Power Fund. Rules  
29 adopted pursuant to this subsection are major substantive rules  
30 pursuant to Title 5, chapter 375, subchapter 2-A.

## 32 SUMMARY

34 This bill amends the renewable resources portfolio standard  
35 to encourage economic development opportunities in the State,  
36 increase the State's use of renewable resources to generate  
37 electricity and reduce greenhouse gas emissions from the State's  
38 electricity supply portfolio.