

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1920

H.P. 1356

House of Representatives, June 6, 2007

An Act To Stimulate Demand for Renewable Energy

Reported by the Majority from the Joint Standing Committee on Utilities and Energy
pursuant to the Maine Revised Statutes, Title 5, section 3327, subsection 4.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

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

2 **Sec. 1. 35-A MRSA §3210, sub-§2, ¶A-1** is enacted to read:

3 A-1. "Alternative compliance payment rate" means a certain dollar amount per
4 kilowatt-hour set by the commission that a competitive electricity provider may pay
5 to the commission to satisfy the portfolio requirements of subsection 3-A.

6 **Sec. 2. 35-A MRSA §3210, sub-§2, ¶B-1** is enacted to read:

7 B-1. "New renewable capacity resources" has the same meaning as in section
8 3210-C, subsection 1, paragraphs C and E.

9 **Sec. 3. 35-A MRSA §3210, sub-§2, ¶B-2** is enacted to read:

10 B-2. "Renewable energy credit" means a tradable instrument that represents an
11 amount of electricity generated from renewable capacity resources as defined in
12 section 3210-C, subsection 1, paragraph E.

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

14 **3-A. Portfolio requirements; new renewable capacity resources.** Portfolio
15 requirements for new renewable capacity resources are governed by this subsection.

16 A. Except as provided in paragraph B, beginning January 1, 2008, as a condition of
17 licensing pursuant to section 3203, each competitive electricity provider in this State
18 must demonstrate in a manner satisfactory to the commission that the percentage of
19 its portfolio of supply sources for retail electricity sales in this State accounted for by
20 new renewable capacity resources is as follows:

21 (1) One percent for the period from January 1, 2008 to December 31, 2008;

22 (2) Two percent for the period from January 1, 2009 to December 31, 2009;

23 (3) Three percent for the period from January 1, 2010 to December 31, 2010;

24 (4) Four percent for the period from January 1, 2011 to December 31, 2011;

25 (5) Five percent for the period from January 1, 2012 to December 31, 2012;

26 (6) Six percent for the period from January 1, 2013 to December 31, 2013;

27 (7) Seven percent for the period from January 1, 2014 to December 31, 2014;

28 (8) Eight percent for the period from January 1, 2015 to December 31, 2015;

29 (9) Nine percent for the period from January 1, 2016 to December 31, 2016; and

30 (10) Ten percent for the period from January 1, 2017 to December 31, 2017.

31 New renewable capacity resources used to satisfy the requirements of this paragraph
32 may not be used to satisfy the requirements of section 3210, subsection 3.

33 B. Suspensions of scheduled increases in the portfolio requirements as provided in
34 paragraph A are governed by this paragraph.

1 (1) If by March 31st of the years 2010, 2012, 2014 and 2016 the commission
2 determines that investment in new renewable capacity resources in the preceding
3 2 calendar years has not been sufficient for competitive electricity providers to
4 meet the portfolio requirements under paragraph A and that the resulting use of
5 renewable energy credits pursuant to subsection 8 or the alternative compliance
6 payment mechanism pursuant to subsection 9, or both of these methods, has
7 burdened electricity customers in the State without providing the benefits of new
8 renewable capacity resources, the commission may suspend all or some of the
9 future scheduled increases in the portfolio requirements under paragraph A.

10 (2) If the commission finds that alternative compliance payments are made
11 pursuant to subsection 9 in 3 consecutive calendar years, the commission shall
12 temporarily suspend all or some of the future scheduled increases in the portfolio
13 requirements under paragraph A.

14 (3) If the commission suspends any scheduled increases in the portfolio
15 requirements under paragraph A pursuant to subparagraph (1) or (2), the
16 commission may resume increases, limited to no more than one percentage point
17 per year over the previous year, in the portfolio requirements after a minimum of
18 one year.

19 C. No later than March 31, 2008 and annually thereafter, the commission shall
20 submit a report regarding the status of new renewable capacity resources in the State
21 and compliance with the portfolio requirements under paragraph A to the joint
22 standing committee of the Legislature having jurisdiction over utilities and energy
23 matters. The report must include, but is not limited to, a description of new renewable
24 capacity resources available to meet the portfolio requirements under paragraph A,
25 documentation of the loss of any existing renewable generation capacity in the State,
26 the status of implementation of the new renewable capacity resources portfolio
27 requirements, including any suspensions pursuant to paragraph B, and
28 recommendations to stimulate investment in new renewable capacity resources.

29 D. Retail electricity sales pursuant to a supply contract or standard-offer service
30 arrangement executed by a competitive electricity provider that is in effect on the
31 effective date of this subsection is exempt from the requirements of this subsection
32 until the end date of the current term of the supply contract or standard-offer service
33 arrangement.

34 The commission shall adopt rules to implement this subsection. Rules adopted under this
35 subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

36 **Sec. 5. 35-A MRS §3210, sub-§7**, as enacted by PL 2003, c. 665, §1, is
37 amended to read:

38 **7. Information.** The commission shall inform electricity consumers in this State of
39 the benefits of electricity generated in this State using renewable resources and of the
40 opportunities available in this State to purchase electricity that is generated using those
41 resources , including, but not limited to, green power supply products and renewable
42 energy credit products certified under section 3212-A. The commission may not promote
43 any renewable resources over others. The commission may apply for, receive and expend
44 grant money from the United States Department of Energy and other government

1 agencies for this purpose. Notwithstanding section 3211-A, subsection 5, the commission
2 also may use up to \$100,000 per year from the conservation program fund established
3 under section 3211-A, subsection 5 to support the purposes of this subsection. The
4 commission may create or cause to be created a brand or logo to identify Maine
5 renewable resources, including green power supply products and renewable energy credit
6 products certified under 3212-A, to consumers. The commission shall register any mark
7 or logo created pursuant to this subsection with the United States Patent and Trademark
8 Office or in accordance with Title 10, chapter 301-A, or both. Any brand or logo created
9 pursuant to this subsection may only be used in accordance with the purposes of this
10 subsection as approved by the commission.

11 **Sec. 6. 35-A MRSA §3210, sub-§8**, as enacted by PL 2005, c. 646, §2, is
12 amended to read:

13 **8. Credit trading.** The commission shall allow competitive electricity providers to
14 satisfy the portfolio requirements of ~~subsection~~ subsections 3 and 3-A through the use of
15 renewable energy credits if the commission determines that a reliable system of electrical
16 attribute trading exists.

17 **Sec. 7. 35-A MRSA §3210, sub-§9** is enacted to read:

18 **9. Alternative compliance payment; portfolio requirements for new renewable**
19 **capacity resources.** The commission shall allow competitive electricity providers to
20 satisfy the portfolio requirements for new renewable capacity resources under subsection
21 3-A through an alternative compliance payment mechanism in accordance with this
22 subsection.

23 A. The commission shall set the alternative compliance payment rate by rule and
24 shall publish the alternative compliance payment rate by January 31st of each year. In
25 setting the rate, the commission shall take into account prevailing market prices,
26 standard-offer service prices for electricity, reliance on alternative compliance
27 payments to meet the requirements of subsection 3-A and investment in new
28 renewable capacity resources in the State during the previous calendar year.

29 B. The commission shall collect alternative compliance payments made by
30 competitive electricity providers and shall deposit all funds collected under this
31 paragraph in the Renewable Resource Fund established under subsection 6 to be used
32 to fund research, development and demonstration projects relating to renewable
33 energy technologies.

34 The commission shall adopt rules to implement this subsection. Rules adopted under this
35 subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

36 **Sec. 8. 35-A MRSA §3212-A** is enacted to read:

37 **§3212-A. Green power options**

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

1 A. "Green power supply" means electricity supply generated only from renewable
2 capacity resources as defined in section 3210-C, subsection 1, paragraph E, except
3 that the total power production capacity limit of 100 megawatts under section 3210,
4 subsection 2, paragraph C does not apply to wind power installations.

5 B. "Renewable energy credit" has the same meaning as in section 3210, subsection 2,
6 paragraph B-1, except that the total power production capacity limit of 100
7 megawatts under section 3210, subsection 2, paragraph C does not apply to wind
8 power installations.

9 **2. Certification of products; information in bill inserts.** Beginning July 1, 2008,
10 information regarding the availability of green power supply products and renewable
11 energy credit products that are certified by the commission may, at the option of the
12 provider of the products and with the cooperation of the transmission and distribution
13 utility, be presented through inserts in customer bills issued by transmission and
14 distribution utilities. The costs of the inserts, including but not limited to printing and
15 postage costs, are the responsibility of the provider of the product. The commission may
16 define the criteria for certification of green power supply products and renewable energy
17 credit products by order or by rule, and the commission may limit the criteria for
18 certification for consumer protection and eligibility verification purposes. Rules adopted
19 to implement this subsection are routine technical rules as defined in Title 5, chapter 375,
20 subchapter 2-A.

21 **3. Repeal.** This section is repealed July 1, 2010.

22 **Sec. 9. Report on green power options.** No later than January 31, 2010, the
23 Public Utilities Commission shall report to the joint standing committee of the
24 Legislature having jurisdiction over utilities and energy matters regarding green power
25 options that have been certified and promoted since July 1, 2008 pursuant to the Maine
26 Revised Statutes, Title 35-A, section 3212-A. The report must include information
27 regarding the number and type of products that have been certified by the commission,
28 the extent to which information regarding such certified products has been presented
29 through inserts in electric bills and available data on customer migration to green power
30 options.

31 **Sec. 10. Appropriations and allocations.** The following appropriations and
32 allocations are made.

33 **PUBLIC UTILITIES COMMISSION**

34 **Public Utilities - Administrative Division 0184**

35 Initiative: Provides funds for a part-time Utility Analyst position.

36	OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
37	POSITIONS - FTE COUNT	0.250	0.250
38	Personal Services	\$18,361	\$25,958
39			
40	OTHER SPECIAL REVENUE FUNDS TOTAL	\$18,361	\$25,958

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SUMMARY

Current law establishes as a policy of the State the goal of increasing the share of new renewable capacity resources as a percentage of the total capacity resources in this State by 10% by 2017. This bill implements that policy goal by establishing portfolio requirements for new renewable capacity resources, beginning at 1% for calendar year 2008 and increasing by one percentage point per year, ending at 10% in 2017.

The bill allows competitive electricity providers to meet the portfolio requirements for new renewable capacity resources through the use of renewable energy credits or an alternative compliance payment to be set by the Public Utilities Commission. The bill allows the commission to suspend increases in the portfolio requirements for new renewable capacity resources if it finds that investment in new renewable capacity resources is insufficient and the resulting use of the renewable energy credits or alternative compliance payments has burdened electricity customers, and it requires the commission to suspend these portfolio requirements if the alternative compliance payments are used to meet the requirements for 3 or more consecutive years.

The bill requires the commission to report annually to the Legislature regarding the status of new renewable capacity resources and compliance with the portfolio requirements for new renewable capacity resources.

Beginning July 1, 2008, the bill allows for information regarding the availability of green power products and renewable energy credit products offered by competitive electricity providers and certified by the Public Utilities Commission to be presented, at the option of the provider and with the cooperation of the utility, through inserts in customer bills issued by transmission and distribution utilities. The bill requires the Public Utilities Commission to report, no later than January 31, 2010, to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters regarding green power options that have been certified and promoted since July 1, 2008. The provisions regarding green power options are repealed July 1, 2010.

FISCAL NOTE REQUIRED
(See attached)



123rd MAINE LEGISLATURE

LD 1920

LR 2676(01)

An Act To Stimulate Demand for Renewable Energy

Fiscal Note for Original Bill
Committee: Utilities and Energy
Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Appropriations/Allocations				
Other Special Revenue Funds	\$18,361	\$25,958	\$26,758	\$27,583

Fiscal Detail and Notes

This bill includes an Other Special Revenue Funds allocation to the Public Utilities Commission of \$18,361 in fiscal year 2007-08 and \$25,958 in fiscal year 2008-09 to provide funds for a part-time (1/4 FTE) Utility Analyst position.