

MAINE STATE LEGISLATURE

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Date: 3/16/10

L.D. 1696
(Filing No. H-730)

UTILITIES AND ENERGY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
124TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1197, L.D. 1696, Bill, "An Act To Strengthen the Community-based Renewable Energy Pilot Program"

Amend the bill by striking out the title and substituting the following:

'An Act Regarding Community-based Renewable Energy'

Amend the bill by striking out everything after the title and inserting the following:

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, legislation is necessary to ensure that community-based renewable energy projects are eligible for grants from the Renewable Resource Fund; and

Whereas, the Public Utilities Commission is preparing to distribute \$600,000 of funds made available under the American Recovery and Reinvestment Act of 2009 through the Renewable Resource Fund; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 35-A MRS §3210, sub-§5, as amended by PL 2007, c. 644, §§1 to 3 and PL 2009, c. 372, Pt. K, §1 and affected by §5 and c. 415, Pt. E, §2, is repealed and the following enacted in its place:

5. Funding for research and development; community demonstration projects.
The commission by rule shall establish and administer a program allowing retail consumers of electricity to make voluntary contributions to fund renewable resource research and development and to fund community demonstration projects using renewable energy technologies. The program must:

COMMITTEE AMENDMENT

- 1 A. Include a mechanism for customers to indicate their willingness to make
2 contributions;
- 3 B. Provide that transmission and distribution utilities collect and account for the
4 contributions and forward them to the commission;
- 5 C. Provide for a distribution of the funds to the University of Maine System, the
6 Maine Maritime Academy or the Maine Community College System for renewable
7 resource research and development;
- 8 D. Provide for a distribution of the funds to Maine-based nonprofit organizations that
9 qualify under the federal Internal Revenue Code, Section 501(c)(3), consumer-owned
10 transmission and distribution utilities, community-based nonprofit organizations,
11 community action programs, municipalities, quasi-municipal corporations or districts
12 as defined in Title 30-A, section 2351, community-based renewable energy projects,
13 as defined in section 3602, subsection 1 and school administrative units as defined in
14 Title 20-A, section 1 for community demonstration projects using renewable energy
15 technologies; and
- 16 E. Provide for an annual distribution of 35% of the funds to the Maine Technology
17 Institute to support the development and commercialization of renewable energy
18 technologies.

19 Rules adopted under this subsection are routine technical rules pursuant to Title 5, chapter
20 375, subchapter 2-A.

21 This subsection is repealed July 1, 2010.

22 **Sec. 2. 35-A MRSA §3210, sub-§6**, as amended by PL 2007, c. 18, §2 and PL
23 2009, c. 372, Pt. K, §2 and affected by §5 and c. 415, Pt. E, §2, is repealed.

24 **Sec. 3. 35-A MRSA §3210, sub-§6-A**, as enacted by PL 2007, c. 18, §3 and
25 amended by PL 2009, c. 372, Pt. K, §3 and affected by §5 and c. 415, Pt. E, §2, is
26 repealed.

27 **Sec. 4. 35-A MRSA §3210, sub-§9, ¶B**, as enacted by PL 2007, c. 403, §7, is
28 amended to read:

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 section 10121,
32 subsection 6 2 to be used to fund research, development and demonstration projects
33 relating to renewable energy technologies.

34 **Sec. 5. 35-A MRSA §3603, sub-§3, ¶A**, as enacted by PL 2009, c. 329, Pt. A,
35 §4, is amended to read:

36 A. Provide documentation of a resolution of support passed by the municipal
37 legislative body or by the municipal officers, as appropriate if the municipal
38 legislative body has delegated this authority to the municipal officers, of the
39 municipality in which the community-based renewable energy project is proposed to
40 be located, except that any project that is proposed to be located wholly in an
41 unorganized or deorganized area of the State or that has a generating capacity of less
42 than 100 kilowatts is exempt from the requirement set forth in this paragraph;

1 **Sec. 6. 35-A MRSA §10109, sub-§4, ¶D**, as enacted by PL 2009, c. 372, Pt. B,
2 §3, is amended to read:

3 D. Nonelectric savings programs must be used to maximize fossil fuel energy
4 efficiency and conservation and associated greenhouse gas reductions, subject to the
5 apportionment between fossil fuel and electricity conservation set forth in paragraph
6 A. Community-based renewable energy projects, as defined in section 3602,
7 subsection 1, may apply for funding from the trust as nonelectric savings programs.

8 **Sec. 7. 35-A MRSA §10121** is enacted to read:

9 **§10121. Renewable Resource Fund**

10 **1. Funding for renewable resource research and development; community**
11 **demonstration projects.** The trust by rule shall establish and administer a program
12 allowing retail consumers of electricity to make voluntary contributions to fund
13 renewable resource research and development and to fund community demonstration
14 projects using renewable energy technologies. The program must:

15 A. Include a mechanism for customers to indicate their willingness to make
16 contributions;

17 B. Provide that transmission and distribution utilities collect and account for the
18 contributions and forward them to the trust;

19 C. Provide for a distribution of the funds to the University of Maine System, the
20 Maine Maritime Academy or the Maine Community College System for renewable
21 resource research and development;

22 D. Provide for a distribution of the funds to Maine-based nonprofit organizations that
23 qualify under the federal Internal Revenue Code, Section 501(c)(3), consumer-owned
24 transmission and distribution utilities, community-based nonprofit organizations,
25 community action programs, municipalities, quasi-municipal corporations or districts
26 as defined in Title 30-A, section 2351, community-based renewable energy projects
27 as defined in section 3602, subsection 1 and school administrative units as defined in
28 Title 20-A, section 1 for community demonstration projects using renewable energy
29 technologies; and

30 E. Provide for an annual distribution of 35% of the funds to the Maine Technology
31 Institute to support the development and commercialization of renewable energy
32 technologies.

33 Rules adopted under this subsection are routine technical rules pursuant to Title 5, chapter
34 375, subchapter 2-A.

35 **2. Fund established.** There is established the Renewable Resource Fund, referred to
36 in this section as "the fund." The fund is a nonlapsing fund administered by the trust. All
37 funds collected by the trust pursuant to subsection 1 must be deposited in the fund for
38 distribution by the trust in accordance with subsection 1. The trust may seek and accept
39 funding for the program established pursuant to subsection 1 from other sources, public
40 or private. Any funds accepted for use in the program established pursuant to subsection
41 1 must be deposited in the fund.

1 **3. Report.** The trust shall report by December 1st of each year to the joint standing
 2 committee of the Legislature having jurisdiction over utilities and energy matters on the
 3 fund. The report must include:

4 A. A description of actions taken by the trust pursuant to subsections 1 and 2 during
 5 the prior 12 months;

6 B. An accounting of total deposits into and expenditures from the fund during the
 7 prior 12 months; and

8 C. A description of any research and development or community demonstration
 9 project that received a distribution from the fund during the prior 12 months,
 10 including its objectives, current status and results.

11 **Sec. 8. Federal stimulus funds; community-based renewable energy**
 12 **projects.** A state agency or instrumentality administering American Reinvestment and
 13 Recovery Act of 2009 funds may not prohibit a community-based renewable energy
 14 project, as defined in the Maine Revised Statutes, Title 35-A, section 3602, that is eligible
 15 to receive such funds under applicable federal guidelines from applying to the state
 16 agency or instrumentality for such funds.

17 **Sec. 9. Effective date.** Those sections of this Act that repeal the Maine Revised
 18 Statutes, Title 35-A, section 3210, subsections 6 and 6-A and amend Title 35-A, section
 19 3210, subsection 9 and section 10109, subsection 4, paragraph D and enact Title 35-A,
 20 section 10121 take effect July 1, 2010.

21 **Emergency clause.** In view of the emergency cited in the preamble, this
 22 legislation takes effect when approved, except as otherwise indicated.'

23 SUMMARY

24 This amendment replaces the bill, which was a concept draft. The amendment makes
 25 community-based renewable energy projects eligible for funds from the voluntary
 26 Renewable Resource Fund for community demonstration projects. The amendment also
 27 transfers all duties regarding the administration of the Renewable Resource Fund to the
 28 Efficiency Maine Trust as of July 1, 2010, instead of having responsibilities for that fund
 29 divided between the trust and the Public Utilities Commission. The amendment specifies
 30 that, under the community-based renewable energy pilot program, the municipal
 31 legislative body can delegate to its municipal officers the authority to pass the required
 32 resolution of support for a community-based renewable energy project.

33 The amendment clarifies that, as of July 1, 2010, community-based renewable energy
 34 projects continue to be eligible to apply for funding from the Regional Greenhouse Gas
 35 Initiative Trust Fund as nonelectric savings programs. Until July 1, 2010, current law
 36 provides that these projects are eligible to apply for funding from the Energy and Carbon
 37 Savings Trust Fund, which becomes the Regional Greenhouse Gas Initiative Trust Fund
 38 on that date.

39 The amendment also prohibits a state agency or instrumentality that is administering
 40 American Reinvestment and Recovery Act of 2009 funds from prohibiting a community-
 41 based renewable energy project that is eligible to receive such funds under federal
 42 guidelines from applying to the state agency or instrumentality for such funds.

1 The amendment adds an emergency preamble and emergency clause to the bill.

2 **FISCAL NOTE REQUIRED**

3 **(See attached)**



124th MAINE LEGISLATURE

LD 1696

LR 2499(02)

An Act To Strengthen the Community-based Renewable Energy Pilot Program

Fiscal Note for Bill as Amended by Committee Amendment "A"
Committee: Utilities and Energy
Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to Efficiency Maine Trust associated with additional rulemaking and administration of the Renewable Resource Fund can be absorbed within existing budgeted resources.