

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

SECOND REGULAR SESSION-2016

Legislative Document

No. 1676

S.P. 689

In Senate, March 24, 2016

An Act To Establish a Process for Procurement of Renewable Resources

Reported by Senator WOODSOME of York for the Joint Standing Committee on Energy, Utilities and Technology pursuant to Joint Order 2016, S.P. 668.

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed pursuant to Joint Rule 218.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

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

2 **Sec. 1. 35-A MRSA §3218** is enacted to read:

3 **§3218. Renewable resource; competitive solicitation**

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

6 A. "New" has the same meaning as in section 3210-C, subsection 1, paragraph C.

7 B. "NMISA region" is the northern Maine transmission system and electric power
8 markets in Aroostook and Washington counties administered by a nonprofit entity.

9 C. "Renewable capacity resource" has the same meaning as in section 3210,
10 subsection 2, paragraph B-3.

11 D. "Renewable resource" means:

12 (1) A renewable capacity resource; or

13 (2) A source of electrical generation that was eligible in calendar year 2015 for
14 electric renewable portfolio requirements in Connecticut, New Hampshire,
15 Massachusetts and Rhode Island as determined by the commission.

16 **2. Solicitation and contract negotiation.** The commission shall conduct a
17 competitive solicitation and negotiate the procurement of:

18 A. No later than September 1, 2016, through an expedited proceeding, 80 megawatts
19 of new or existing renewable resources for contracts with a term of 5 years; and

20 B. No later than September 1, 2017, 60 megawatts of new or existing renewable
21 resources for contracts of no longer than 10 years.

22 A contract negotiated under this subsection must provide that the energy may be
23 delivered into the ISO-NE region, as defined in section 1902, subsection 3, or in the
24 NMISA region, either on a physical or financial basis.

25 **3. Review and selection of renewable resources.** In conducting the competitive
26 solicitation and contract negotiation under subsection 2, the commission shall select
27 renewable resources that have the highest likelihood of providing benefits, including, but
28 not limited to, benefits to ratepayers, in-state economic benefits such as permanent direct
29 jobs, payments to municipalities, payments for fuel and resource access, in-state
30 purchases of goods and services, construction-related jobs and purchases, greenhouse gas
31 benefits, fuel diversity benefits, grid reliability benefits and investment that may improve
32 the long-term economic viability of the State.

33 **4. Cost recovery.** The commission shall ensure that all costs and direct financial
34 benefits associated with contracts entered into under this section are allocated to
35 ratepayers in a manner similar to section 3210-F. A price differential existing at any time
36 during the term of the contract between the contract price and the prevailing market price
37 at which the renewable resource is sold or any gains or losses derived from contracts for

1 differences must be reflected in the amounts charged to ratepayers and may not be
2 considered imprudent.

3 **5. Zero greenhouse gas emissions.** A facility that generates new or existing
4 renewable resources that are procured pursuant to this section is deemed to produce zero
5 greenhouse gas emissions.

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

9 **SUMMARY**

10 This bill is reported out by the Joint Standing Committee on Energy, Utilities and
11 Technology pursuant to Joint Order 2016, Senate Paper 668. This bill directs the Public
12 Utilities Commission to conduct competitive solicitations and negotiate the procurement
13 of new or existing renewable resources. The commission is directed to procure by
14 September 1, 2016, through an expedited proceeding, 80 megawatts of new or existing
15 renewable resources for contracts of 5 years and, by September 1, 2017, 60 megawatts of
16 new or existing renewable resources for contracts of no longer than 10 years. This bill
17 provides that any facility that generates new or existing renewable resources that are
18 procured by the commission is deemed to produce zero greenhouse gas emissions.

19 The committee has not taken a position on the substance of this bill. By reporting
20 this bill out, the committee is not suggesting and does not intend to suggest that it agrees
21 or disagrees with any aspect of this bill. The committee is reporting the bill out for the
22 sole purpose of having a bill printed that can be referred to the committee for an
23 appropriate public hearing and subsequent processing in the normal course. The
24 committee is taking this action to ensure clarity and transparency in the legislative review
25 of the proposals contained in the bill.