

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 1065

S.P. 382

In Senate, March 1, 2005

### An Act To Promote Economic Development and Sustainable Energy

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator BRENNAN of Cumberland.  
Cosponsored by Representative BLISS of South Portland and  
Senators: BARTLETT of Cumberland, COWGER of Kennebec, MITCHELL of Kennebec,  
Representatives: BRAUTIGAM of Falmouth, CURTIS of Madison, FITTS of Pittsfield,  
KOFFMAN of Bar Harbor, PINGREE of North Haven.

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16 **Sec. 2. 35-A MRSA §3210, sub-§2, ¶C,** as repealed and replaced  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 I, §2, is repealed and the following  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:

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

24 (1) Fuel cells;

26 (2) Tidal power;

28 (3) Solar arrays and installations;

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

34 (5) Geothermal installations;

36 (6) Landfill gas;

38 (7) Hydroelectric generators;

40 (8) Biomass generators; or

42 (9) Generators fueled by municipal solid waste in  
43 conjunction with recycling.

44 **Sec. 3. 35-A MRSA §3210, sub-§3,** as amended by PL 1999, c.  
45 398, Pt. I, §3, is repealed and the following enacted in its  
46 place:

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

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

12 3-A. Tier 2 portfolio requirement. Beginning March 1,  
13 2006, as a condition of licensing pursuant to section 3203, each  
14 competitive electricity provider in this State must demonstrate  
15 in a manner satisfactory to the commission that the competitive  
16 electricity provider meets the Tier 2 portfolio requirement. For  
17 purposes of this section, the Tier 2 portfolio requirement is met  
18 if at least 1% of the competitive electricity provider's  
19 portfolio of supply sources for retail electricity sales in this  
20 State is accounted for by the resources listed in subsection 2,  
21 paragraph C, subparagraphs (1) to (6). This percentage increases  
22 by 1/2% each March 1st until it reaches 5% on March 1, 2014.

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

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

26 4-A. Ineligible resources. If a competitive electricity  
27 provider represents to a customer that the provider is selling to  
28 the customer a portfolio of supply sources that includes more  
29 than 30% eligible resources, the resources necessary to supply  
30 more than 30% of that customer's load may not be applied to meet  
31 the aggregate 30% portfolio requirement.

32 4-B. Alternative compliance mechanism. Beginning March 1,  
33 2006, a competitive electricity provider may meet all or part of  
34 the Tier 2 portfolio requirement under subsection 3-A by making  
35 an alternative compliance payment to the Maine Renewable Power  
36 Fund established in subsection 4-C. The payment to meet any  
37 unmet requirements is calculate~~d~~ by multiplying the unmet  
38 megawatt-hour requirement for the Tier 2 portfolio requirement by  
39 \$35 per megawatt hour. The commission shall determine whether,  
40 due to changes in electricity markets or the changes in law, the  
41 alternative compliance amounts established in this subsection  
42 should be increased or decreased in order to ensure that the  
43 goals of this section are being achieved at the lowest cost to  
44 the customer.

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, 2008.

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 disburse money in the fund from payments  
14 made by competitive electricity providers to meet any unmet Tier  
15 2 portfolio requirement to resources eligible for the Tier 2  
16 portfolio requirement in the form of per-megawatt-hour support  
17 payments.

18 **4-D. Credit trading.** Beginning March 1, 2006, the  
19 commission shall allow competitive electricity providers to  
20 satisfy the portfolio requirement 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-§8** is enacted to read:

26 **8. 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  
36 This bill amends the renewable resources portfolio standard  
37 to encourage economic development opportunities in the State,  
38 increase the State's use of renewable resources to generate  
electricity and reduce greenhouse gas emissions from the State's  
electricity supply portfolio.