

# MAINE STATE LEGISLATURE

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L.D. 1379

DATE: 5.27.05

(Filing No. S-284)

UTILITIES AND ENERGY

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MINORITY

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STATE OF MAINE
SENATE
122ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "B" to S.P. 477, L.D. 1379, Bill, "An Act To Amend the Maine Wind Energy Act"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 30-A MRSA §5250-Q is enacted to read:

§5250-Q. Community wind power generators

Notwithstanding any other provision of this subchapter, the commissioner may certify any legal entity that does not otherwise qualify as a qualified Pine Tree Development Zone business or that does not locate in a Pine Tree Development Zone as qualified to receive Pine Tree Development Zone benefits if the commissioner determines that such certification would support construction of a community wind power generator in this State by that entity and the entity will own title or controlling interest in that generator. The entity must demonstrate to the commissioner that the construction of the facility would not be likely to occur absent the availability of the Pine Tree Development Zone benefits. For the purposes of this section, "community wind power generator" means an electricity-generating facility at any one site with instantaneous generating nameplate capacity of not more than 10 megawatts and that is powered entirely by wind energy.

Sec. 2. 35-A MRSA §3210, sub-§8 is enacted to read:

COMMITTEE AMENDMENT

2           8. Credit trading. The commission shall allow competitive  
3           electricity providers to satisfy the portfolio requirements of  
4           subsection 3 through the use of renewable energy credits if the  
5           commission determines that a reliable system of electrical  
6           attribute trading exists.

8           Sec. 3. 35-A MRSA §3402, as enacted by PL 2003, c. 665, §3,  
9           is amended to read:

10           **§3402. Legislative findings**

12           The Legislature finds that it is in the public interest to  
13           explore opportunities for and encourage the development, where  
14           appropriate, of wind energy production in the State in a manner  
15           that is consistent with high environmental standards and that  
16           achieves reliable, cost-effective, sustainable energy production  
17           on those sites in the State that will attract investment and  
18           permit the development of viable wind energy projects. The  
19           Legislature finds that the development of the wind energy  
20           potential in the State needs to be integrated into the existing  
21           energy supply and transmission systems in a way that achieves  
22           system reliability, total capital cost-effectiveness and optimum  
23           short-term and long-term benefits to Maine people. The  
24           Legislature finds it is in the public interest to encourage the  
25           construction and operation of wind energy generating facilities,  
26           including community wind power generator projects, up to a total  
27           installed capacity in the State of 300 megawatts by 2010. For  
28           the purposes of this section, "community wind power generator"  
29           means an electricity-generating facility at any one site with  
30           instantaneous generating nameplate capacity of not more than 10  
31           megawatts and that is powered entirely by wind energy. The  
32           Legislature also finds it is in the public interest to encourage  
33           the development of wind energy research and generation equipment  
34           manufacturing facilities in the State.

36           Sec. 4. 35-A MRSA §3404 is enacted to read:

38           **§3404. Determination of public policy**

40           It is the policy of the State that its political  
41           subdivisions, agencies and public officials take every reasonable  
42           action to encourage the attraction of appropriately sited  
43           wind-energy-related development consistent with high  
44           environmental standards; the permitting and financing of wind  
45           energy projects; and the siting, permitting, financing and  
46           construction of wind energy research and manufacturing facilities.

48           Sec. 5. Improved permitting guidance. In order to ensure an  
49           adequate, secure and reliable supply of electricity for  
50

2 residents of the State, to encourage economic development  
opportunities in the State, to reduce greenhouse gas emissions  
4 from the State's electricity supply and to maintain and increase  
the use of renewable, efficient and indigenous resources, the  
6 Board of Environmental Protection, by January 15, 2006, shall  
adopt rules or other legally enforceable standards that deal on a  
8 general basis with the evaluation of issues that arise in the  
permitting of wind energy facilities, including turbine and blade  
10 safety, effect on birds and other wildlife, public safety,  
aesthetic effects and other pertinent issues. The rules or  
12 standards must be designed to narrow the regulatory focus to  
important information, improve and speed consideration and  
14 decision making and allow easier determination in permitting  
projects. Rules adopted pursuant to this section are routine  
16 technical rules as defined in the Maine Revised Statutes, Title  
5, chapter 375, subchapter 2-A.

18 **Sec. 6. Environmental siting guidelines for wind energy projects;**  
**authority to report legislation.** The Department of Environmental  
20 Protection and the Maine Land Use Regulation Commission shall, no  
later than January 13, 2006, provide a report to the Joint  
22 Standing Committee on Utilities and Energy on the agencies' wind  
energy project siting guidelines, including procedures used when  
24 wind energy projects are located within the jurisdiction of both  
agencies. The report must include an analysis of whether the  
26 guidelines are effective in fulfilling the policies established  
in this Act. The Joint Standing Committee on Utilities and  
28 Energy may report out legislation to the Second Regular Session  
of the 122nd Legislature concerning wind energy.

30 **Sec. 7. Public Utilities Commission assistance in financing wind**  
**energy projects.** By March 1, 2006, the Public Utilities  
32 Commission shall determine the most effective ways for the  
commission to assist in the financing of wind energy projects.  
34

36 **Sec. 8. Public Utilities Commission; rulemaking.** By March 1,  
2006, the Public Utilities Commission shall adopt rules allowing  
38 credit trading in accordance with the Maine Revised Statutes,  
Title 35-A, section 3210, subsection 8. Rules adopted pursuant  
40 to this section are routine technical rules as defined in Title  
5, chapter 375, subchapter 2-A.

42 **Sec. 9. Community wind; Public Utilities Commission study.** The  
44 Public Utilities Commission, in consultation with the Department  
of Environmental Protection and the Finance Authority of Maine,  
46 shall develop recommendations for creating incentives to  
facilitate the development of community wind power generator  
48 projects, including those projects that might be developed by  
municipalities and nonprofit entities. For the purposes of this

2 section, "community wind power generator" means an  
3 electricity-generating facility at any one site with  
4 instantaneous generating nameplate capacity of not more than 10  
5 megawatts and that is powered entirely by wind energy. The  
6 commission shall consider ways of educating the community of  
7 potential community wind power generator site owners on the  
8 development process, ways of facilitating the initial funding of  
9 wind resource assessment at potential sites and ways of educating  
10 the lending and financial communities on the assessment of risk  
11 in wind energy project financing. The commission shall inventory  
12 existing resources in the State's private and public sectors  
13 useful for these purposes. The commission shall provide a report  
14 of its findings and recommendations to the Joint Standing  
15 Committee on Utilities and Energy by January 13, 2006.'

16  
17 **SUMMARY**

18  
19 This amendment, which is the minority report of the Joint  
20 Standing Committee on Utilities and Energy, replaces the bill.  
21 The amendment:

22  
23 1. Authorizes the granting of Pine Tree Development Zone  
24 benefits to an entity if granting such benefits would support  
25 construction in the State by that entity of a community wind  
26 power generator with a capacity of no more than 10 megawatts;

27  
28 2. Directs the Public Utilities Commission to adopt rules  
29 allowing the use of renewable energy credits to satisfy the  
30 resource portfolio requirements of the Maine Revised Statutes,  
31 Title 35-A, section 3210;

32  
33 3. Requires the Public Utilities Commission, in  
34 consultation with the Department of Environmental Protection and  
35 the Finance Authority of Maine, to develop recommendations on  
36 ways of promoting community wind power generator projects of up  
37 to 10 megawatts;

38  
39 4. Establishes legislative findings that it is in the  
40 public interest to encourage the construction in the State by  
41 2010 of up to 300 megawatts of wind energy capacity, including  
42 but not limited to community wind power generator capacity;

43  
44 5. Establishes as the policy of the State that its  
45 political subdivisions, agencies and public officials take every  
46 reasonable action to encourage the attraction of appropriately  
47 sited wind-energy-related development consistent with high  
48 environmental standards; the permitting and financing of wind  
49 energy projects; and the siting, permitting, financing and  
50 construction of wind energy research and manufacturing facilities;

2           6. Requires the Board of Environmental Protection to adopt  
4 by January 15, 2006 rules that deal on a general basis with  
issues that arise in the permitting of wind energy facilities of  
any size;

6  
8           7. Directs the Public Utilities Commission to determine the  
most effective ways for the commission to assist in the financing  
of wind energy projects; and

10  
12           8. Directs the Department of Environmental Protection and  
the Maine Land Use Regulation Commission to provide a report to  
14 the Joint Standing Committee on Utilities and Energy on the  
agencies' siting guidelines and authorizes the committee to  
16 report out legislation on wind energy to the Second Regular  
Session of the 122nd Legislature.

18

**FISCAL NOTE REQUIRED**  
**(See attached)**

20



Approved: 05/27/05 *MAC*

# 122nd MAINE LEGISLATURE

LD 1379

LR 1948(03)

## An Act To Amend the Maine Wind Energy Act

Fiscal Note for Bill as Amended by Committee Amendment "B"

Committee: Utilities and Energy

Fiscal Note Required: Yes

Minority Report

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### Fiscal Note

Undetermined current biennium revenue decrease - General Fund

Minor cost increase - General Fund

Minor cost increase - Other Special Revenue Funds

#### Fiscal Detail and Notes

This bill may reduce General Fund revenue as a result of expanding the projects eligible for Pine Tree Zone benefits. The exact amount by fiscal year can not be estimated at this time. The additional costs associated with this legislation can be absorbed by the Public Utilities Commission, the Department of Environmental Protection, the Finance Authority of Maine and the Department of Economic and Community Development utilizing existing budgeted resources.