MAINE STATE LEGISLATURE

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		L.D. 1379
2	DATE: 6-13-05	(Filing No. S- 365
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STATE OF MAINE SENATE 122ND LEGISLATURE FIRST SPECIAL SESSION

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SENATE AMENDMENT 'A" 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 §5223, sub-§3, as amended by PL 2003, c. 451, Pt. NNN, §1, is further amended by amending the last blocked paragraph to read:

The conditions in paragraphs A to D do not apply to approved downtown tax increment financing districts ef, tax increment financing districts included within Pine Tree Development Zones designated and approved under subchapter 3 or tax increment financing districts that consist solely of a community wind power generator or generators certified pursuant to section 5219-Y, subsection 3.

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

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

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

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§3402. Legislative findings

The Legislature finds that it is in the public interest to explore opportunities for and encourage the development, where appropriate, of wind energy production in the State in a manner that is consistent with high all state and federal environmental standards and that achieves reliable, cost-effective, sustainable energy production on those sites in the State that will attract investment and permit the development of viable wind energy projects. The Legislature finds that the development of the wind energy potential in the State needs to be integrated into the existing energy supply and transmission systems in a way that achieves system reliability, total capital cost-effectiveness and optimum short-term and long-term benefits to Maine people. Legislature finds it is in the public interest to encourage the construction and operation of community wind power generator projects. 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 that is powered entirely by wind energy. The Legislature also finds it is in the public interest to encourage wind energy research and the development of wind generation equipment manufacturing facilities in the State.

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

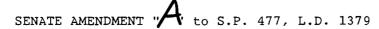
§3404. Determination of public policy

It is the policy of the State that its political subdivisions, agencies and public officials take every reasonable action to encourage the attraction of appropriately sited wind-energy-related development consistent with all state and federal environmental standards; the permitting and financing of wind energy projects; and the siting, permitting, financing and construction of wind energy research and manufacturing facilities.

Sec. 5. 36 MRSA §1760, sub-§§88 and 89 are enacted to read:

88. Construction contracts with qualified community wind power generators. Beginning October 1, 2005, sales to a construction contractor of tangible personal property that is to be physically incorporated in, and become a permanent part of, real property that is owned by or for sale to a qualified community wind power generator, as defined in section 5219-Y, which real property will be used to generate electricity at the site of the community wind power generator. The exemption provided by this subsection is limited to sales occurring on or before December 31, 2010.

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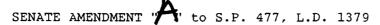
and 89.

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§5219-¥.	Community	wind powe	r genera	<u>tor credi</u>	<u>.t</u>		
1.	Definitio	ns. As	used in	this s	ection,	unless	<u>the</u>
context	otherwise	indicates	the	followin	ng terms	have	<u>the</u>
following	meanings.						
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В.	"Commun	ity wind	l powe	r gene	rator"	means	an
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facility would not be likely to occur absent the availability of

the benefits under this section and section 1760, subsections 88





Sec. 7. Improved permitting guidance. In order to ensure an adequate, secure and reliable supply of electricity for residents of the State, to encourage economic development opportunities in the State, to reduce greenhouse gas emissions from the State's electricity supply and to maintain and increase the use of renewable, efficient and indigenous resources, the Board of Environmental Protection, by March 1, 2006, shall adopt rules or other legally enforceable standards that deal on a general basis with the evaluation of issues that arise in the permitting of wind energy facilities, including turbine and blade safety, effect on birds and other wildlife, public safety, aesthetic effects and other pertinent issues. The rules or standards must designed to narrow the regulatory focus to important information, improve and speed consideration and decision making and allow easier determination in permitting projects. adopted pursuant to this section are routine technical rules as defined in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A. This section may not be construed to affect any municipal permitting process.

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Sec. 8. Environmental siting guidelines for wind energy projects; authority to report legislation. The Department of Environmental Protection and the Maine Land Use Regulation Commission shall, no later than March 1, 2006, provide a report to the Joint Standing Committee on Utilities and Energy on the agencies' wind energy project siting guidelines, including procedures used when wind energy projects are located within the jurisdiction of both agencies. The report must include an analysis of whether the guidelines are effective in fulfilling the policies established in this Act. The Joint Standing Committee on Utilities and Energy may report out legislation to the Second Regular Session of the 122nd Legislature concerning wind energy.

34 36 Sec. 9. Public Utilities Commission assistance in financing wind energy projects. By March 1, 2006, the Public Utilities Commission shall determine the most effective ways for the commission to assist in the financing of wind energy projects.

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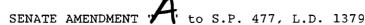
Sec. 10. Public Utilities Commission; rulemaking. By March 1, 2006, the Public Utilities Commission shall adopt rules allowing credit trading in accordance with the Maine Revised Statutes, Title 35-A, section 3210, subsection 8. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

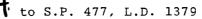
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Sec. 11. Community wind; Public Utilities Commission examination. The Public Utilities Commission, in consultation with the Director of Energy Independence and Security in the State Planning Office, shall undertake an examination of the type

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of electricity generation commonly referred to as "community wind." The commission shall:

- 1. Survey and gather information from appropriate agencies and experts with respect to community wind, including, but not limited to, its feasibility, impediments to its development and the need for and options for providing incentives for its development;
- 10 2. Determine what measures, if any, are required to address any impediments to the attraction and development of community 12 wind projects in the State;
- 3. Develop recommendations for any appropriate changes to 14 or rules or for the establishment of any financial 16 incentives necessary to attract and develop appropriately sited community wind projects in the State that are consistent with 18 high environmental standards;
 - Provide a report of its findings and recommendations to the Joint Standing Committee on Utilities and Energy no later than January 13, 2006; and
- 24 As part of its report, submit legislation by January 13, 2006 to the Second Regular Session of the 122nd Legislature to provide a strategy to rapidly implement feasible community wind sites.

Sec. 12. Community wind; Public Utilities Commission study. Public Utilities Commission, in consultation with the Department of Environmental Protection and the Finance Authority of Maine, develop recommendations for creating incentives to facilitate the development of community wind power generator projects, including those projects that might be developed by municipalities and nonprofit entities. For the purposes of this section, "community wind power generator" means electricity-generating facility at any site with one instantaneous generating nameplate capacity of not more than 10 megawatts that is powered entirely by wind energy. commission shall consider ways of educating the community of potential community wind power generator site owners on the development process, ways of facilitating the initial funding of wind resource assessment at potential sites and ways of educating the lending and financial communities on the assessment of risk in wind energy project financing. The commission shall explore combining cell phone towers and similar structures with wind power generating equipment and structures. The commission shall inventory existing resources in the State's private and public sectors useful for these purposes. The commission shall provide

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a report of its findings and recommendations to the Joint Standing Committee on Utilities and Energy by January 13, 2006.

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SUMMARY

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This amendment incorporates the provisions of Committee Amendment "B" as amended by House Amendment "A" and Senate Amendment "A" with the following changes.

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It removes the inclusion of community wind power generators as Pine Tree Development Zone entities but gives qualified community wind power generators similar tax credit benefits regarding sales tax and income tax as given to Pine Tree Development Zone entities.

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It clarifies that the improved permitting process adopted by the Board of Environmental Protection does not affect the municipal permitting process.

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It retains the original requirement of Committee Amendment "B" that the installed capacity of the community wind power generator project be 300 megawatts.

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4. It provides for a repeal of the sales tax exemption of December 31, 2010 and it limits availability of the income tax credits to 10 consecutive years after a certified generator begins operation. An entity may be certified only if it qualifies prior to January 1, 2010.

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SPONSORED BY:

(Senator BARTLETT)

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COUNTY: Cumberland

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FISCAL NOTE REQUIRED (See Attached)

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122nd MAINE LEGISLATURE

LD 1379

LR 1948(13)

An Act To Amend the Maine Wind Energy Act

Fiscal Note for Senate Amendment "A Sponsor: Sen. Bartlett
Fiscal Note Required: Yes

Fiscal Note

Undetermined revenue loss - 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 sales and income tax credits for community wind power generators. 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.