

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1099

S.P. 351

March 6, 2007

An Act To Encourage Wind Energy Development

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 STRIMLING of Cumberland.

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

2 **Sec. 1. 10 MRSA c. 110, sub-c. 12** is enacted to read:

3 **SUBCHAPTER 12**

4 **WIND ENERGY PROJECTS**

5 **§1100-Z. Financing of wind energy projects**

6 If the authority and the Public Utilities Commission determine it is in the public
7 interest, the authority and the commission may develop a program to increase the
8 capitalization of the authority for the purpose of assisting in the financing of wind energy
9 projects, and the commission may transfer up to \$2,000,000 per year from the
10 conservation program fund, as authorized by Title 35-A, section 3211-A, subsection 5-B,
11 to the authority for this purpose for up to 10 years from the effective date of this section.

12 **Sec. 2. 30-A MRSA §5250-O, sub-§1** is enacted to read:

13 **1. Wind power generators.** Notwithstanding any other provision of this subchapter,
14 the commissioner may certify a business that does not otherwise qualify as a qualified
15 Pine Tree Development Zone business or that does not locate in a Pine Tree Development
16 Zone as qualified to receive Pine Tree Development Zone benefits if the commissioner
17 determines that such certification would support construction by that business of a wind-
18 powered electricity-generating facility in this State. The business must demonstrate to
19 the commissioner that the construction of the facility would not be likely to occur absent
20 the availability of the Pine Tree Development Zone benefits.

21 **Sec. 3. 35-A MRSA §3211-A, sub-§5,** as enacted by PL 2001, c. 624, §4, is
22 amended to read:

23 **5. Conservation program fund.** The commission shall establish a conservation
24 program fund to be used solely for conservation programs and wind energy projects as
25 specified in subsection 5-B.

26 A. The commission shall deposit all assessments collected pursuant to this section,
27 other than funds deposited in the administration fund, into the program fund.

28 B. Any interest earned on funds in the program fund must be credited to the
29 program fund.

30 C. Funds not spent in any fiscal year remain in the program fund to be used for
31 conservation programs and wind energy projects as specified in subsection 5-B.

32 D. The commission may apply for and receive grants from state, federal and private
33 sources for deposit in the program fund and also may deposit in the program fund any
34 grants or other funds received by or from any entity with which the commission has
35 an agreement or contract pursuant to this section if the commission determines that
36 receipt of those funds would be consistent with the purposes of this section. If the

1 commission receives any funds pursuant to this paragraph, it shall establish a separate
2 account within the program fund to receive the funds and shall keep those funds and
3 any interest earned on those funds segregated from other funds in the program fund.

4 **Sec. 4. 35-A MRSA §3211-A, sub-§5-B** is enacted to read:

5 **5-B. Support for wind energy projects.** Notwithstanding any other provision of
6 this section, the commission may provide up to \$2,000,000 per year from the program
7 fund to the Finance Authority of Maine for use pursuant to Title 10, section 1100-Z.

8 **Sec. 5. 35-A MRSA §3402**, as amended by PL 2005, c. 646, §3, is further
9 amended to read:

10 **§3402. Legislative findings**

11 The Legislature finds that it is in the public interest to explore opportunities for and
12 encourage the development, where appropriate, of wind energy production in the State in
13 a manner that is consistent with all state and federal environmental standards and that
14 achieves reliable, cost-effective, sustainable energy production on those sites in the State
15 that will attract investment and permit the development of viable wind energy projects.
16 The Legislature finds that the development of the wind energy potential in the State needs
17 to be integrated into the existing energy supply and transmission systems in a way that
18 achieves system reliability, total capital cost-effectiveness and optimum short-term and
19 long-term benefits to Maine people. The Legislature finds it is in the public interest to
20 encourage the construction and operation of community wind power generator projects.
21 For the purposes of this section, "community wind power generator" means an electricity-
22 generating facility at any one site with instantaneous generating nameplate capacity of not
23 more than 10 megawatts that is powered entirely by wind energy. The Legislature also
24 finds it is in the public interest to encourage wind energy research and the development of
25 wind generation equipment manufacturing facilities in the State. The Legislature also
26 finds that enhancement of the transmission of electricity to southern areas of the State
27 from northern and eastern areas of the State is essential to the efficient development of
28 the State's wind energy resources and to the efficient connection of Aroostook County
29 and Washington County with the electric grid of the rest of the United States.

30 **Sec. 6. 36 MRSA §5219-AA, sub-§4**, as enacted by PL 2005, c. 646, §7, is
31 repealed.

32 **Sec. 7. 38 MRSA §341-D, sub-§1-C** is enacted to read:

33 **1-C. Streamlined permitting for certain projects.** In order to ensure an adequate,
34 secure and reliable supply of electricity for residents of the State, to encourage economic
35 development opportunities in the State, to reduce greenhouse gas emissions from the
36 State's electricity supply portfolio and to maintain and increase the use of a renewable,
37 efficient and indigenous resource, the board shall:

38 A. Adopt rules that streamline the process for the review and permitting of any wind-
39 powered electricity-generating facility of not more than 100 megawatts. The
40 streamlined process must involve any reviews required to be conducted or permits or

1 licenses required to be issued for such a wind energy project by the board or the
2 department. Notwithstanding any other provision of this Title, the rules may shorten
3 or otherwise streamline the process but may not result in a weakening of any
4 substantive standard or requirement. Rules adopted pursuant to this paragraph are
5 major substantive rules as defined in Title 5, chapter 375, subchapter 2-A;

6 B. Adopt rules that deal on a general basis with the evaluation of issues that arise in
7 the permitting of wind-powered electricity-generating facilities, including turbine and
8 blade safety, the effect on birds and other wildlife, public safety, aesthetic effects and
9 other pertinent issues. These rules must be designed to narrow the regulatory focus to
10 important information, improve and speed consideration and decision making and
11 allow easier determination in the permitting of wind energy projects. Rules adopted
12 pursuant to this paragraph are major substantive rules as defined in Title 5, chapter
13 375, subchapter 2-A; and

14 C. Following consultation with the Maine Land Use Regulation Commission,
15 determine by rule the general areas in the State that may have wind resources
16 sufficient for viable wind energy projects and that, by their characteristics, are
17 preferred for the siting of wind energy projects. Each area must be at least 50,000
18 acres in total area. Rules adopted pursuant to this paragraph are major substantive
19 rules as defined in Title 5, chapter 375, subchapter 2-A.

20 **Sec. 8. Assistance in financing of wind energy projects.** The Finance
21 Authority of Maine shall, within 6 months of the effective date of this Act, in consultation
22 with the Public Utilities Commission, determine the most effective ways to use the
23 powers of the authority to assist in financing wind energy projects.

24 **Sec. 9. Rulemaking regarding streamlined permitting and siting.** The
25 Department of Environmental Protection, Board of Environmental Protection shall adopt
26 major substantive rules as defined in the Maine Revised Statutes, Title 5, chapter 375,
27 subchapter 2-A to carry out the objectives of Title 38, section 341-D, subsection 1-C,
28 paragraphs A, B and C. The board shall submit rules made pursuant to this section to the
29 Legislature for its review no later than January 15, 2008.

30 **SUMMARY**

31 This bill does the following to encourage wind energy:

32 1. It allows the Finance Authority of Maine and the Public Utilities Commission to
33 establish a program to increase the financial capacity of the Finance Authority of Maine
34 programs to assist in financing wind energy development and allows the use of funds
35 from the conservation program fund;

36 2. It allows the State to provide the benefits of Pine Tree Development Zone
37 eligibility to wind energy projects;

38 3. It declares that enhancement of electricity transmission from northern and eastern
39 to southern areas of the State is essential to wind energy development;

1 4. It makes permanent the community wind power generator tax credit by removing
2 the scheduled repeal under current law of that tax credit on December 31, 2007; and

3 5. It provides for the Department of Environmental Protection, Board of
4 Environmental Protection to adopt major substantive rules for streamlined permitting of
5 wind energy projects and the designation by the State of preferred areas for viable wind
6 energy project development.