

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1331

H.P. 939

House of Representatives, March 12, 2007

An Act To Encourage Community Wind Power Projects

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative MacDONALD of Boothbay.

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

2 **Sec. 1. 35-A MRSA §3403, sub-§3** is enacted to read:

3 **3. Production incentive.** The commission shall administer the Community Wind
4 Energy Production Incentive Program in accordance with section 3405.

5 **Sec. 2. 35-A MRSA §3403, sub-§4** is enacted to read:

6 **4. Community wind energy advisory office.** The commission shall establish a
7 community wind energy advisory office to provide technical assistance to potential
8 developers of community wind energy projects, as defined in section 3405. The office
9 shall, at a minimum, provide assistance with site identification, wind measurement and
10 monitoring, facility design, technical feasibility analysis, economic feasibility analysis
11 and public outreach.

12 **Sec. 3. 35-A MRSA §3405** is enacted to read:

13 **§3405. Community Wind Energy Production Incentive Program**

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

16 A. "Community wind energy project" means a locally owned electricity generating
17 facility at any one site with an instantaneous generating nameplate capacity of not
18 less than 600 kilowatts and not more than 2 megawatts that is powered entirely by
19 wind energy;

20 B. "Class 3 wind resource" means a wind power density of 150 to 200 watts per
21 square meter at a height of 10 meters or 300 to 400 watts per square meter at a height
22 of 50 meters.

23 C. "Locally owned electricity generating facility" means an electricity generating
24 facility at least 51% of which is owned by one or more individuals or entities located
25 within the community where the facility is sited. Local owners may include, but are
26 not limited to:

27 (1) Local residents;

28 (2) Local governments or political subdivisions, including, but not limited to,
29 counties, municipalities, school administrative units, as defined in Title 20-A,
30 section 1, and quasi-municipal corporations or districts, as defined in Title 30-A,
31 section 2351;

32 (3) Nonprofit corporations, as defined in Title 13-C, section 102;

33 (4) Consumer-owned transmission and distribution utilities, as defined in section
34 3501; and

35 (5) Federally recognized Indian tribes, if the facility is sited on land owned by
36 the tribe.

1 D. "Wind power density" means the amount of energy, measured in watts per square
2 meter, available at a location for conversion into electricity by a wind turbine.

3 **2. Program established.** The Community Wind Energy Production Incentive
4 Program, referred to in this section as "the program," is established to provide production
5 incentive payments to community wind energy projects. The commission shall
6 administer the program.

7 **3. Fund.** The Community Wind Energy Production Incentive Fund, referred to in
8 this section as "the fund," is established as a nonlapsing fund into which must be
9 deposited all amounts appropriated or allocated to the program. The commission may
10 seek and accept funding for the program from any source, public or private, to carry out
11 the purposes of this section. The fund must be used by the commission to make
12 production incentive payments to eligible community wind energy projects in accordance
13 with this section. At the end of each fiscal year, all unencumbered balances in the fund
14 account must be carried forward to be used for the purposes of the program.

15 **4. Eligibility criteria; application process.** To be eligible for the production
16 incentive payment under this section, a community wind energy project must:

17 A. Be sited in a location with class 3 or higher wind resources; and

18 B. Be interconnected with the electric power transmission and distribution system of
19 the State.

20 The commission shall prescribe an application form or procedure that must be used to
21 apply for an incentive payment under this section. The application form or procedure
22 must include any information that the commission determines necessary for the purpose
23 of implementing this section. The commission shall determine whether a project
24 qualifies for the incentive payment and respond in writing within 30 working days of
25 receipt of a completed application.

26 **5. Incentive payment.** Incentive payments to community wind energy projects must
27 be made in accordance with this subsection. To the extent that funds are available in the
28 fund, a community wind energy project that qualifies under subsection 4 is entitled to a
29 production incentive payment equal to 1.5¢ per kilowatt-hour on energy generated by the
30 project during the first 10 years of operation of the project that is sold by the project and
31 transmitted over the electric power grid. To the extent that applications for incentive
32 payments exceed the funds available, the commission may establish a waiting list for
33 incentive payments. Projects must be placed on the waiting list based on the date of
34 application. A project that is not operational within 18 months of the application date
35 must be removed from the waiting list.

36 **6. Purchase agreement; tariff.** Notwithstanding any other provision of this chapter,
37 a transmission and distribution utility shall offer a standard power purchase agreement, as
38 defined by the commission by rule, and a standard power purchase tariff, as defined by
39 the commission by rule, to any customer who agrees to construct, own and operate a
40 community wind energy project in the service territory of the utility and requests
41 interconnection with the utility's distribution system.

1 7. Rules. The commission shall adopt rules to implement this section. Rules
2 adopted pursuant to this section are routine technical rules as defined in Title 5, chapter
3 375, subchapter 2-A.

4

SUMMARY

5 This bill establishes an incentive payment of 1.5¢ per kilowatt-hour to qualifying
6 community wind energy projects for the first 10 years of turbine operation on all
7 electricity sold back to the electricity distribution system. The bill directs the Public
8 Utilities Commission to administer the incentive payment program and to create a
9 community wind energy advisory office to assist potential developers of community wind
10 energy projects with site identification, wind measurement, feasibility analysis and other
11 tasks required for project development. To qualify for the production incentive payment,
12 a wind energy project must generate between 600 kilowatts and 2 megawatts of power, be
13 locally owned, be sited in a location with a class 3 or higher wind resource, be
14 interconnected with the electricity distribution system and have an agreement to sell
15 power generated by the project. The bill requires transmission and distribution utilities to
16 offer a standard purchase agreement and standard purchase tariff for power generated by
17 community wind energy projects.