

# MAINE STATE LEGISLATURE

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Date: 5/18/9

UTILITIES AND ENERGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
124TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 719, L.D. 1044, Bill, "An Act To Promote Cogeneration of Energy at Maine Sawmills"

Amend the bill by striking out the title and substituting the following:

'Resolve, To Promote Cogeneration of Energy at Maine Sawmills'

Amend the bill by striking out everything after the title and before the summary and inserting the following:

Sec. 1. Stakeholder group. Resolved: That the Executive Department, Governor's Office of Energy Independence and Security shall convene a stakeholder group to examine and make recommendations regarding the concept of cogeneration energy zones, as described in section 2, to promote cogeneration at sawmills in the State. The office shall, at a minimum, invite representatives of the Public Utilities Commission, the Office of the Public Advocate, the forest products industry, transmission and distribution utilities and other interested parties to participate in the stakeholder group; and be it further

Sec. 2. Cogeneration energy zone. Resolved: That, for the purposes of this resolve, "cogeneration energy zone" means a designated geographic area that includes a sawmill that has an on-site cogeneration facility. The stakeholder group under section 1 shall consider the following criteria in developing the concept of cogeneration energy zones:

- 1. Allowing the zone to include not less than 2 and not more than 10 manufacturing facilities, including the subject sawmill;
2. Limiting the zone to a maximum radius of 10 miles;
3. Limiting the cogeneration facility to an installed capacity limit of 5 megawatts;
4. Requiring the cogeneration facility to meet fuel system efficiency standards or use a renewable resource as its fuel input;

1 5. Allowing the sawmill that owns the on-site cogeneration facility and other entities  
2 within the zone that share an ownership interest in the cogeneration facility to elect net  
3 energy billing. If the cogeneration facility has an installed capacity of more than 660  
4 kilowatts and net energy billing is elected, the sawmill and any shared ownership  
5 customers that elect net energy billing would be required pay a fee to the transmission  
6 and distribution utility to mitigate cost shifting to other ratepayers. If the cogeneration  
7 facility has an installed capacity of 660 kilowatts or less, the Public Utility Commission's  
8 rules governing net energy billing would apply. If there is no shared ownership of the  
9 cogeneration facility, the sawmill may sell its net excess generation pursuant to the small  
10 generator aggregation law under the Maine Revised Statutes, Title 35-A, section 3210-A;

11 6. Allowing the construction of a private transmission line to be considered, subject  
12 to the requirements of Title 35-A, section 2305-B if the transmission and distribution  
13 utility serving the location of the cogeneration facility does not have the capacity to  
14 transmit the output of the cogeneration facility to the shared ownership customers; and

15 7. Allowing the nonelectric energy produced by the cogeneration facility to be  
16 shared with other entities through private agreement; and be it further

17 **Sec. 3. Report; authority for legislation. Resolved:** That, no later than  
18 February 15, 2010, the Executive Department, Governor's Office of Energy Independence  
19 and Security shall submit to the Joint Standing Committee on Utilities and Energy a  
20 report of the findings and recommendations of the stakeholder group under section 1,  
21 including any suggested legislation. After receipt and review of the report, the committee  
22 is authorized to report out legislation to the Second Regular Session of the 124th  
23 Legislature regarding cogeneration energy zones.'

24 **SUMMARY**

25 This amendment replaces the bill with a resolve. The amendment directs the  
26 Executive Department, Governor's Office of Energy Independence and Security to  
27 convene a stakeholder group to examine and make recommendations regarding the  
28 concept of cogeneration energy zones. The amendment requires the office to report to the  
29 Joint Standing Committee on Utilities and Energy no later than February 15, 2010  
30 regarding the findings and recommendations of the stakeholder group. After receipt and  
31 review of the report, the committee is authorized to report out legislation on the subject of  
32 cogeneration energy zones to the Second Regular Session of the 124th Legislature.

**FISCAL NOTE REQUIRED**  
(See attached)



# 124th MAINE LEGISLATURE

LD 1044

LR 1615(02)

**An Act To Promote Cogeneration of Energy at Maine Sawmills**

**Fiscal Note for Bill as Amended by Committee Amendment "A"**

**Committee: Utilities and Energy**

**Fiscal Note Required: Yes**

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## Fiscal Note

Minor cost increase - Other Special Revenue Funds

### Fiscal Detail and Notes

Additional costs associated with convening a stakeholders group to examine and make recommendations regarding the concept of cogeneration energy zones and other administrative duties can be absorbed within existing budgeted resources.