

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 1044

H.P. 719

House of Representatives, March 17, 2009

An Act To Promote Cogeneration of Energy at Maine Sawmills

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative FLETCHER of Winslow.
Cosponsored by Senator SMITH of Piscataquis and
Representatives: AYOTTE of Caswell, CLARK of Millinocket, CLEARY of Houlton, FITTS
of Pittsfield, McLEOD of Lee, THOMAS of Ripley, Senators: SHERMAN of Aroostook,
TRAHAN of Lincoln.

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

2 **Sec. 1. 35-A MRSA §2305-B, sub-§2**, as enacted by PL 2001, c. 110, §2, is
3 amended to read:

4 **2. Persons other than transmission and distribution utilities.** ~~A~~ Except as
5 provided under section 4406, a person other than a transmission and distribution utility
6 may not construct or maintain electric lines, including poles or other related structures, in,
7 upon, along, over, across or under a road, street or other public way unless:

8 A. The person satisfies the requirements of section 2503;

9 B. The person or the person's contractor hired to construct the line provides to the
10 applicable licensing authority a performance bond:

11 (1) In the amount of the value of the line, including poles or other related
12 structures, to be located in the public way; and

13 (2) That is enforceable for one year from the date the line is energized;

14 C. Prior to constructing the line, the person notifies the transmission and distribution
15 utility in whose service territory the line is proposed to be built of the proposed
16 location of the line; and

17 D. If a public utility objects to the line on the basis that it may constitute a
18 duplication of existing transmission or distribution facilities or may interfere with the
19 adequate and safe delivery of electricity to others, the commission issues a finding
20 that the line is not a duplication of existing transmission or distribution facilities and
21 does not interfere with the adequate and safe delivery of electricity to others. A
22 finding is not required under this paragraph unless a public utility has objected in
23 writing to the applicable licensing authority.

24 **Sec. 2. 35-A MRSA c. 44-A** is enacted to read:

25 **CHAPTER 44-A**

26 **PINE TREE ENERGY ZONES**

27 **§4405. Definitions**

28 As used in this chapter, unless the context otherwise indicates, the following terms
29 have the following meanings.

30 **1. Cogeneration.** "Cogeneration" means a process in which a facility uses its waste
31 energy to generate electricity or other useful forms of energy.

32 **2. Manufacturing.** "Manufacturing" means the production of tangible personal
33 property intended to be sold or leased ultimately for final use or consumption or the
34 production of tangible personal property pursuant to a contract with the Federal
35 Government or any agency thereof.

1 3. Manufacturing cluster. "Manufacturing cluster" means at least 2 but not more
2 than 10 manufacturing facilities, including at least one sawmill, located within a 20-mile
3 radius.

4 4. Pine Tree Energy Zone. "Pine Tree Energy Zone" means a geographic area
5 designated by the commission as a Pine Tree Energy Zone in accordance with section
6 4406 for the purposes of encouraging cogeneration by sawmills.

7 §4406. Pine Tree Energy Zones

8 1. Petition. A manufacturing cluster may petition the commission to be designated
9 as a Pine Tree Energy Zone.

10 2. Requirements for designation. The commission shall establish the minimum
11 requirements for the designation of a Pine Tree Energy Zone. The geographic radius of a
12 Pine Tree Energy Zone may not exceed 20 miles.

13 3. Private transmission lines. The requirements of section 2305-B, subsection 2 do
14 not apply to a person other than a transmission and distribution utility who constructs a
15 private transmission line or lines over a public way for the purpose of transmitting
16 electricity generated by a cogeneration facility that is operated by a sawmill located
17 within a Pine Tree Energy Zone.

18 The commission shall adopt rules for the implementation of this chapter. Rules
19 adopted pursuant to this section are routine technical rules as defined in Title 5, chapter
20 375, subchapter 2-A.

21 **Sec. 3. Net energy billing; rules.** The Public Utilities Commission shall amend
22 its rules governing net energy billing to allow a sawmill located within a Pine Tree
23 Energy Zone pursuant to the Maine Revised Statutes, Title 35-A, section 4406, to elect
24 net energy billing for a cogeneration facility with an installed capacity of 10 megawatts or
25 less.

26 **SUMMARY**

27 This bill allows a group of manufacturing facilities, including at least one sawmill, to
28 petition the Public Utilities Commission to designate the area surrounding the facilities as
29 a Pine Tree Energy Zone. Within a designated Pine Tree Energy Zone, the bill provides
30 an exemption from the statutory requirements for the construction of transmission lines in
31 the public way for a person who constructs a private transmission line to transmit
32 electricity generated by a cogeneration facility located at a sawmill in the zone. The bill
33 also directs the Public Utilities Commission to amend its rules governing net energy
34 billing to allow sawmills located in Pine Tree Energy Zones to elect net energy billing for
35 a cogeneration facility with an installed capacity of up to 10 megawatts.