## MAINE STATE LEGISLATURE

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## 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

**Legislative Document** 

No. 729

S.P. 218

In Senate, February 18, 2011

An Act To Prohibit Electric Utilities from Entering into Long-term Supply Agreements

Received by the Secretary of the Senate on February 18, 2011. Referred to the Committee on Energy, Utilities and Technology pursuant to Joint Rule 308.2 and ordered printed.

Joseph G. Carleton Jr.

JOSEPH G. CARLETON, JR. Secretary of the Senate

Presented by Senator THOMAS of Somerset.

Cosponsored by Senators: MARTIN of Kennebec, MASON of Androscoggin, PLOWMAN of Penobscot, THIBODEAU of Waldo, WHITTEMORE of Somerset.

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

- **Sec. 1. 35-A MRSA §3143, sub-§3, ¶B,** as enacted by PL 2009, c. 539, §2, is amended to read:
  - B. Deployment and integration into the electric system of renewable capacity resources, as defined in section 3210-C, subsection 1, paragraph E 3210, subsection 2, paragraph B-3, that are interconnected to the electric grid at a voltage level less than 69 kilovolts;
  - **Sec. 2. 35-A MRSA §3210, sub-§2, ¶B-4,** as enacted by PL 2009, c. 542, §4, is amended to read:
    - B-4. "New" as applied to any renewable capacity resource means a renewable capacity resource that:
      - (1) Has an in-service date after September 1, 2005;
      - (2) Was added to an existing facility after September 1, 2005;
      - (3) For at least 2 years was not operated or was not recognized by the New England independent system operator as a capacity resource and, after September 1, 2005, resumed operation or was recognized by the New England independent system operator as a capacity resource; or
      - (4) Was refurbished after September 1, 2005 and is operating beyond its previous useful life or is employing an alternate technology that significantly increases the efficiency of the generation process.
    - For the purposes of this paragraph, "capacity resource" has the same meaning as in section 3210 C, subsection 1, paragraph A.
- **Sec. 3. 35-A MRSA §3210-C,** as amended by PL 2009, c. 415, Pt. A, §§21 to 23 and c. 518, §§1 to 6 and c. 542, §6, is repealed.
  - **Sec. 4. 35-A MRSA §3212, sub-§4-C,** as enacted by PL 2005, c. 677, Pt. B, §2, is amended to read:
  - **4-C.** Authority to establish various contract lengths and terms. For the purpose of providing over a reasonable time period the lowest price for standard-offer service to residential and small commercial customers, the commission, with respect to residential and small commercial standard-offer service, may, in addition to incorporating cost-effective demand response and energy efficiency pursuant to subsection 4-B and to the extent authorized in section 3210-C, incorporating the energy portion of any contracts entered into pursuant to section 3210-C, establish various standard-offer service contract lengths and terms.
- Sec. 5. 35-A MRSA §3603, sub-§4, as enacted by PL 2009, c. 329, Pt. A, §4, is amended to read:
  - **4. Program incentives.** Subject to the requirements of subsection 2, a program participant may elect one of the following program incentives:

- 1 A. A long-term contract for community-based renewable energy pursuant to section 3604; or
- B. The renewable energy credit multiplier pursuant to section 3605.

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- **Sec. 6. 35-A MRSA §3604,** as enacted by PL 2009, c. 329, Pt. A, §4, is repealed.
- **Sec. 7. 35-A MRSA §10104, sub-§4, ¶D,** as amended by PL 2009, c. 518, §8, is further amended to read:
  - D. Prior to submission of the triennial plan to the commission, the trust shall offer to provide a detailed briefing on the draft plan to the joint standing committee of the Legislature having jurisdiction over energy matters and, at the request of the committee, shall provide such a briefing and opportunity for input from the committee. After providing such opportunity for input and making any changes as a result of any input received, the board shall deliver the plan to the commission for its review and approval. The commission shall open a proceeding and issue an order either approving the plan or rejecting the plan and stating the reasons for the rejection. The commission shall reject elements of the plan that propose to use funds generated pursuant to sections 3210-C, 10110, 10111 or 10119 if the plan fails to reasonably explain how these elements of the program would achieve the objectives and implementation requirements of the programs established under those sections or the measures of performance under subsection 3. Funds generated under these statutory authorities may not be used pursuant to the triennial plan unless those elements of the plan proposing to use the funds have been approved by the commission. The commission shall approve or reject any elements of the triennial plan within 60 days of its delivery to the commission. The board, within 15 days of final commission approval of its plan, shall submit the plan to the joint standing committee of the Legislature having jurisdiction over energy matters together with any explanatory or other supporting material as the committee may request and, at the request of the committee, shall provide a detailed briefing on the final plan. After receipt of the plan, the joint standing committee of the Legislature having jurisdiction over energy matters may submit legislation relating to the plan.

30 SUMMARY

This bill rescinds the Public Utilities Commission's authority to direct transmission and distribution utilities to enter into long-term contracts. It also corrects cross references.