

# MAINE STATE LEGISLATURE

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Date: 3/21/12

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minority

ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE

HOUSE OF REPRESENTATIVES

125TH LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1258, L.D. 1706, Bill, "An Act To Protect Maine's Biomass and Forest Products Industries by Allowing Biomass Generators To Enter into Short-term Contracts"

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

'An Act To Protect Maine's Biomass and Forest Products Industries'

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

'Sec. 1. 35-A MRSA §3210, sub-§10 is enacted to read:

10. Temporary eligibility as a new renewable capacity resource. A biomass generator is eligible to be counted towards a competitive electricity provider's new renewable capacity resource requirement under subsection 3-A if the commission determines that the biomass generator has not been operating for at least 90 days due to economic hardship. The following provisions govern the temporary eligibility of a biomass generator as a new renewable capacity resource.

A. The commission may require through rulemaking that a biomass generator allow the commission to inspect and copy the books, accounts, papers, records and memoranda of the biomass generator in relation to its business and affairs for the purposes of determining if the biomass generator has not been operating for at least 90 days due to economic hardship.

B. Upon a determination by the commission pursuant to paragraph A that a biomass generator has not been operating for at least 90 days due to economic hardship, the biomass generator is eligible as a new renewable capacity resource for 3 years.

C. If during a biomass generator's 3-year term of eligibility as a new renewable capacity resource under paragraph B the commission determines that economic conditions have improved to the extent that the value of the renewable energy credits related to the new renewable capacity resource is no longer necessary to assist the biomass generator in overcoming economic hardship, the commission shall require

COMMITTEE AMENDMENT

1 the monetary value of the renewable energy credits to be transferred from the  
2 biomass generator to the Efficiency Maine Trust established in section 10103 and  
3 deposited into the conservation program fund established in section 10110,  
4 subsection 7 and expended in accordance with the provisions of section 10110,  
5 subsection 7.

6 D. The commission may adopt routine technical rules pursuant to Title 5, chapter  
7 375, subchapter 2-A to implement this subsection. The rules may include, but are not  
8 limited to, the processes:

9 (1) To determine if a biomass generator has not been operating for at least 90  
10 days due to economic hardship;

11 (2) To monitor whether a biomass generator needs the value of the renewable  
12 energy credits for the full term of its eligibility as a new renewable capacity  
13 resource in order to overcome economic hardship to generate electricity; and

14 (3) To transfer the monetary value of renewable energy credits to the Efficiency  
15 Maine Trust under paragraph C.

16 **Sec. 2. Task force.** Within its existing resources, the Department of Economic and  
17 Community Development shall convene a task force to meet with the owners and  
18 operators of the biomass facilities in this State to offer state assistance to improve the  
19 economic circumstances and decrease the economic vulnerability of the biomass facilities  
20 in the State and to determine how to restart biomass facilities that are not operating and  
21 how to keep the biomass facilities that are currently operating running. The task force  
22 shall identify and evaluate obstacles confronting biomass power generating facilities in  
23 the State, review policies and practices in other states in which biomass power generating  
24 facilities are successfully operating and recommend measures to help the biomass  
25 industry succeed, including any changes needed in law.

26 The Department of Economic and Community Development shall invite  
27 representatives from the Governor's Office of Energy Independence and Security, the  
28 Public Utilities Commission, the Finance Authority of Maine and the Department of  
29 Conservation, Maine Forest Service to participate in this task force.

30 The Department of Economic and Community Development shall submit a report to  
31 the joint standing committee of the Legislature having jurisdiction over energy and  
32 utilities matters by March 1, 2013. The report must include, but is not limited to, a  
33 description of the task force's discussions and meetings, a summary of the obstacles  
34 confronting biomass power generating facilities in the State and policies and practices in  
35 other states in which biomass power generating facilities are successfully operating. The  
36 report must also include a description of the assistance that the State can offer to biomass  
37 facilities and any recommended measures or changes to existing law to improve the  
38 economic circumstances and decrease the economic vulnerability of biomass facilities in  
39 this State.'

## 40 SUMMARY

41 This amendment is the minority report. This amendment replaces the bill and  
42 changes the title. This amendment permits that, upon a determination by the Public

1 Utilities Commission that a biomass facility has not been operating for 90 days or more  
2 due to economic hardship, the biomass facility is temporarily eligible as a new renewable  
3 capacity resource and for renewable energy credits for a period of 3 years. If during that 3  
4 years the biomass facility no longer needs the additional revenue from the renewable  
5 energy credits, the value of the renewable energy credits must be transferred to the  
6 Efficiency Maine Trust for deposit into the conservation program fund established by the  
7 Efficiency Maine Trust. The Public Utilities Commission may adopt routine technical  
8 rules to implement these provisions.

9 The amendment further requires the Department of Economic and Community  
10 Development to convene a task force to identify ways to improve the economic stability  
11 of biomass facilities in this State. The department is required to report to the joint  
12 standing committee of the Legislature having jurisdiction over energy and utility matters  
13 by March 1, 2013.

**FISCAL NOTE REQUIRED**  
**(See Attached)**



# 125th MAINE LEGISLATURE

LD 1706

LR 2632(02)

## An Act To Protect Maine's Biomass and Forest Products Industries'

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-809)

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

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### Fiscal Note

Minor cost increase - General Fund  
Minor cost increase - Other Special Revenue Funds

#### Fiscal Detail and Notes

The bill provides that a biomass facility that has not been operating for 90 days or longer as a result of economic hardship is eligible for Class I renewable energy credits for a period of three years. If the biomass facility no longer needs the additional revenue from the credits during the three years, the value of the credits must be transferred to the Efficiency Maine Trust for deposit into the conservation program fund.

The bill also establishes a state task force led by the Department of Economic and Community Development to identify ways to improve the economic stability of biomass facilities in the state. The provisions of the bill will induce a minor increase in costs to the Department of Economic and Community Development, the Public Utilities Commission, the Finance Authority of Maine and the Department of Conservation that can be absorbed within existing budgeted resources.