

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)

5/10/12
E. G.

Date: 4-12-12

(Filing No. S-555)

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE
SENATE
125TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "B" to S.P. 648, L.D. 1863, Bill, "An Act To Lower the Price of Electricity for Maine Consumers"

Amend the amendment by striking out all of section 1.

Amend the amendment by striking out all of section 4 and inserting the following:

'Sec. 4. 35-A MRSA §3210-C, sub-§13 is enacted to read:

13. Contracts with renewable resources to ensure lower rates. In accordance with this subsection, the commission may direct investor-owned transmission and distribution utilities to enter into contracts with renewable resources as defined by section 3210, subsection 2, paragraph C, subparagraph (3) for the purpose of reducing the price of electricity to ratepayers. Contracts under this subsection are not governed by the provisions of subsection 3.

A. The commission shall ensure that a contract under this subsection requires the price for electric energy purchased under the contract to be at least 10% less than the applicable market clearing price at the time of delivery, as determined by the commission by rule, except that if the commission determines that a discount price closer to the applicable market clearing price is necessary to achieve the purposes of this section, the commission may by rule establish a lower discount. The commission shall ensure that the total cost to the ratepayers, when considering the price of electricity, the value of contracted capacity and renewable energy credits and any cost recovery in rates allowed to investor-owned transmission and distribution utilities according to paragraph G, is lower than the applicable market clearing price at the time of delivery.

B. The commission may not require contracts entered into under this subsection to involve in aggregate an amount of electric energy that exceeds 10% of the total statewide electric energy load, as determined by the commission by rule.

C. The commission may not require an investor-owned transmission and distribution utility to enter into any contract under this subsection that has a term that exceeds 20 years.

D. The commission may require an investor-owned transmission and distribution utility to enter into a contract for electric energy and associated renewable energy

A. W. S.

1 credits, with appropriate valuation of each component, consistent with the other
2 requirements of this subsection.

3 E. The commission may not require investor-owned transmission and distribution
4 utilities to enter into contracts under this subsection with renewable resources, as
5 defined in section 3210, subsection 2, paragraph C, subparagraph (3), that in the
6 aggregate exceed in any year during the terms of the contracts 50% of the total
7 statewide portfolio requirement established under section 3210, subsection 3.

8 F. An investor-owned transmission and distribution utility shall sell entitlements for
9 capacity, energy and renewable energy credits purchased pursuant to this subsection
10 as directed by the commission.

11 G. The commission shall ensure that an investor-owned transmission and distribution
12 utility recovers in rates all costs of contracts entered into pursuant to this subsection,
13 including but not limited to any impacts on the utility's costs of capital.

14 The commission shall adopt rules implementing this subsection and defining when a
15 source of electric generation that is subject to a contract entered into under this subsection
16 qualifies as a renewable resource under section 3210, subsection 2, paragraph C,
17 subparagraph (3). Rules adopted under this subsection are major substantive rules as
18 defined in Title 5, chapter 375, subchapter 2-A.'

19 Amend the amendment by relettering or renumbering any nonconsecutive Part letter
20 or section number to read consecutively.

21 **SUMMARY**

22 This amendment modifies Committee Amendment "B" as follows.

23 1. It provides that the new contracts with renewable resources for the purposes of
24 reducing the price of electricity to ratepayers must comply with the current requirement
25 that the price paid by the investor-owned transmission and distribution utility for any
26 renewable energy credits must be lower than the price received for those renewable
27 energy credits at the time they are sold by the transmission and distribution utility.

28 2. It removes the provision that allows a generator whose total power production
29 capacity exceeds 100 megawatts to qualify as a renewable capacity resource under the so-
30 called Class 1 portfolio requirement under the Maine Revised Statutes, Title 35-A,
31 section 3210, subsection 3.

32 3. It limits the amount of electricity that can be contracted from generators whose
33 total power production capacity exceeds 100 megawatts, to the extent those generators, as
34 a result of the contracts, are allowed to qualify for the so-called Class 2 portfolio
35 requirement under the Maine Revised Statutes, Title 35-A, section 3210, subsection 3-A.
36 In the aggregate such contracts may not in any year account for more than 50% of the
37 statewide Class 2 portfolio requirement.

38 The result of this amendment together with Committee Amendment "B" is to
39 authorize the Public Utilities Commission to direct investor-owned transmission and
40 distribution utilities to enter into contracts with renewable resources for the purpose of
41 reducing the price of electricity to ratepayers. The contracts for electricity must be priced


12. 4. 8.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

less than the applicable market clearing price at the time of delivery, except that if the commission determines that a discount price closer to the applicable market clearing price is necessary to achieve the purposes of this legislation, the commission may by major substantive rule establish a lower discount. Contracts may not involve in aggregate an amount of electric energy that exceeds 10% of the total statewide electric energy load and may not have a term that exceeds 20 years. The commission may require contracts for the electric energy and associated renewable energy credits, with appropriate valuation of each component. Resources under these contracts that otherwise qualify as renewable resources under the portfolio requirements but that exceed the current 100-megawatt limitations will become qualified to meet those portfolio requirements, commonly known as Class 2 renewable energy credits, in accordance with rules adopted by the commission. Such resources may not qualify for the portfolio requirements applicable to new renewable capacity resources, commonly known as Class 1 renewable energy credits. The contracts may not involve an amount of qualified renewable resources that exceeds in aggregate 50% of the applicable statewide portfolio requirements.

FISCAL NOTE REQUIRED

(See attached)

SPONSORED BY: 

(Senator THIBODEAU)

COUNTY: Waldo



125th MAINE LEGISLATURE

LD 1863

LR 2795(07)

An Act To Lower the Price of Electricity for Maine Consumers

Fiscal Note for Senate Amendment "B" to Committee Amendment "B" S-555

Sponsor: Sen. Thibodeau of Waldo

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Public Utilities Commission related to the provisions of this bill can be absorbed within existing budgeted resources.