

MAINE STATE LEGISLATURE

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L.D. 1863

Date: **3 - 27 - 12**

(Filing No. S-**495**)

MINORITY

ENERGY, UTILITIES AND TECHNOLOGY

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

STATE OF MAINE

SENATE

125TH LEGISLATURE

SECOND REGULAR SESSION

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

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-§2, ¶B-3**, as enacted by PL 2009, c. 542, §3, is amended to read:

B-3. "Renewable capacity resource" means a source of electrical generation:

(1) Whose total power production capacity does not exceed 100 megawatts and relies on one or more of the following:

(a) Fuel cells;

(b) Tidal power;

(c) Solar arrays and installations;

(d) Geothermal installations;

(e) Hydroelectric generators that meet all state and federal fish passage requirements applicable to the generator; or

(f) Biomass generators that are fueled by wood or wood waste, landfill gas or anaerobic digestion of agricultural products, by-products or wastes; or

(2) That relies on wind power installations; or

(3) Whose total power production capacity exceeds 100 megawatts and that is subject to a contract entered into under section 3210-C, subsection 13, but only during the term of the contract and only that portion that is governed by the contract, as determined by the commission by rule pursuant to section 3210-C, subsection 13, and only if the source of electric generation relies on one or more of the following:

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- 1 (a) Fuel cells;
- 2 (b) Tidal power;
- 3 (c) Solar arrays and installations;
- 4 (d) Geothermal installations;
- 5 (e) Hydroelectric generators that meet all state and federal fish passage
- 6 requirements applicable to the generator; or
- 7 (f) Biomass generators that are fueled by wood or wood waste, landfill gas
- 8 or anaerobic digestion of agricultural products, by-products or wastes.

9 **Sec. 2. 35-A MRSA §3210, sub-§2, ¶C**, as amended by PL 2009, c. 542, §5, is
10 further amended to read:

11 C. "Renewable resource" means a source of electrical generation:

12 (1) That qualifies as a small power production facility under the Federal Energy
13 Regulatory Commission rules, 18 Code of Federal Regulations, Part 292, Subpart
14 B, as in effect on January 1, 1997; ~~or~~

15 (2) Whose total power production capacity does not exceed 100 megawatts and
16 that relies on one or more of the following:

- 17 (a) Fuel cells;
- 18 (b) Tidal power;
- 19 (c) Solar arrays and installations;
- 20 (d) Wind power installations;
- 21 (e) Geothermal installations;
- 22 (f) Hydroelectric generators;
- 23 (g) Biomass generators that are fueled by wood or wood waste, landfill gas
- 24 or anaerobic digestion of agricultural products, by-products or wastes; or
- 25 (h) Generators fueled by municipal solid waste in conjunction with
- 26 recycling; or

27 (3) Whose total power production capacity exceeds 100 megawatts and that is
28 subject to a contract entered into under section 3210-C, subsection 13, but only
29 during the term of the contract and only that portion that is governed by the
30 contract, as determined by the commission by rule pursuant to section 3210-C,
31 subsection 13, and only if the source of electric generation relies on one or more
32 of the following:

- 33 (a) Fuel cells;
- 34 (b) Tidal power;
- 35 (c) Solar arrays and installations;

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- 1 (d) Wind power installations;
- 2 (e) Geothermal installations;
- 3 (f) Hydroelectric generators;
- 4 (g) Biomass generators that are fueled by wood or wood waste, landfill gas
5 or anaerobic digestion of agricultural products, by-products or wastes; or
- 6 (h) Generators fueled by municipal solid waste in conjunction with
7 recycling.

8 **Sec. 3. 35-A MRSA §3210-C, sub-§3, ¶C**, as amended by PL 2011, c. 273, §1
9 and affected by §3 and amended by c. 413, §2, is repealed and the following enacted in its
10 place:

11 C. Any available renewable energy credits associated with capacity resources
12 contracted under paragraph A. The price paid by the investor-owned transmission
13 and distribution utility for the renewable energy credits must be lower than the price
14 received for those renewable energy credits at the time they are sold by the
15 transmission and distribution utility.

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

17 **13. Contracts to ensure lower rates.** In accordance with this subsection, the
18 commission may direct investor-owned transmission and distribution utilities to enter into
19 contracts with electricity resources for the purpose of reducing the price of electricity to
20 ratepayers. Contracts under this subsection are not governed by the provisions of
21 subsection 3.

22 A. The commission shall ensure that a contract under this subsection requires the
23 price for electric energy purchased under the contract to be at least 10% less than the
24 applicable market clearing price at the time of delivery, as determined by the
25 commission by rule, except that if the commission determines that a discount price
26 closer to the applicable market clearing price is necessary to achieve the purposes of
27 this section, the commission may by rule establish a lower discount.

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

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

34 D. The commission may require an investor-owned transmission and distribution
35 utility to enter into a contract for electric energy and associated renewable energy
36 credits, with appropriate valuation of each component, consistent with the other
37 requirements of this subsection.

38 E. The commission may not require investor-owned transmission and distribution
39 utilities to enter into contracts under this subsection:



Approved: 03/22/12 *MAC*

125th MAINE LEGISLATURE

LD 1863

LR 2795(03)

An Act To Lower the Price of Electricity for Maine Consumers

Fiscal Note for Bill as Amended by Committee Amendment "3" S-495

Committee: Energy, Utilities and Technology

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.