

MAINE STATE LEGISLATURE

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Date: 2/16/16 Minority L.D. 273 (Filing No. H-519)

ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
127TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 191, L.D. 273, Bill, "An Act To Encourage and Enhance the Future of Waste-to-energy Facilities by Establishing a Portfolio Requirement for Electricity from Waste Energy Resources"

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

'An Act To Encourage and Enhance the Future of Waste-to-energy Facilities by Establishing a Portfolio Requirement for Electricity from Waste-to-energy Resources'

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-2, as amended by PL 2009, c. 542, §2, is further amended to read:

B-2. "Renewable energy credit" means a tradable instrument that represents an amount of electricity generated from eligible resources, waste-to-energy resources or renewable capacity resources.

Sec. 2. 35-A MRSA §3210, sub-§2, ¶D is enacted to read:

D. "Waste-to-energy resource" means a pyrolytic or other waste system that is a source of electrical generation and:

- (1) That is fueled by municipal solid waste in conjunction with recycling;
- (2) Whose total power production capacity does not exceed 35 megawatts;
- (3) That is licensed to comply with the air emission requirement levels for resource recovery facilities established pursuant to Title 38, section 585, including, but not limited to, standards for mercury established pursuant to Title 38, section 585-B, subsection 5;
- (4) That complies with all applicable licensing requirements for solid waste facilities as established pursuant to Title 38, section 1310-N;

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1 (5) Whose residuals are transported to a landfill that is licensed to meet at least
2 the performance standards and siting criteria established by rules adopted
3 pursuant to Title 38, section 1304, including, but not limited to, standards
4 prohibiting contamination of groundwater outside the solid waste boundary of
5 landfills; and

6 (6) That is not a party to a power purchase agreement entered into pursuant to
7 the federal Public Utility Regulatory Policies Act of 1978.

8 **Sec. 3. 35-A MRSA §3210, sub-§3-B** is enacted to read:

9 **3-B. Portfolio requirements; waste-to-energy resources.** Portfolio requirements
10 for waste-to-energy resources are governed by this subsection.

11 As a condition of licensing pursuant to section 3203, each competitive electricity provider
12 in this State must demonstrate in a manner satisfactory to the commission that no less
13 than the following percentage of its portfolio of supply sources for retail electricity sales
14 in this State is accounted for by waste-to-energy resources:

15 A. One percent for the period from January 1, 2017 to February 14, 2018; and

16 B. Two and a half percent beginning February 15, 2018.

17 Waste-to-energy resources used to satisfy the requirements of this subsection may not be
18 used to satisfy the requirements of subsection 3 or subsection 3-A.

19 The commission shall adopt rules to implement this subsection. Rules adopted pursuant
20 to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter
21 2-A.

22 **Sec. 4. 35-A MRSA §3210, sub-§8**, as amended by PL 2009, c. 329, Pt. A, §2, is
23 further amended to read:

24 **8. Credit trading.** The commission shall allow competitive electricity providers to
25 satisfy the portfolio requirements of subsections 3 ~~and~~ 3-A ~~and~~ 3-B through the use of
26 renewable energy credits if the commission determines that a reliable system of electrical
27 attribute trading exists. When renewable energy credits are used to satisfy the portfolio
28 requirements of subsections 3 ~~and~~ 3-A ~~and~~ 3-B, the value of a renewable energy credit
29 for electricity generated by a community-based renewable energy project, as defined in
30 section 3602, that is participating in the community-based renewable energy pilot
31 program established in section 3603 and elects the renewable energy credit multiplier
32 under section 3605 is 150% of the amount of the electricity.

33 **Sec. 5. 35-A MRSA §3210, sub-§10** is enacted to read:

34 **10. Alternative compliance payment; portfolio requirements for waste-to-**
35 **energy resources.** The commission shall allow competitive electricity providers to
36 satisfy the portfolio requirements for waste-to-energy resources under subsection 3-B
37 through an alternative compliance payment mechanism in accordance with this
38 subsection.

39 A. The commission shall set the alternative compliance payment base rate at \$10 per
40 megawatt-hour. Beginning January 1, 2018, the commission shall adjust the
41 alternative compliance payment rate by the annual change in the United States

1 Department of Labor, Bureau of Labor Statistics Consumer Price Index. The
2 commission shall calculate and publish the alternative compliance payment rate no
3 later than January 31st of each year.

4 B. The commission shall collect alternative compliance payments made by
5 competitive electricity providers and shall deposit all funds collected under this
6 paragraph in the Energy Efficiency and Renewable Resource Fund established under
7 section 10121, subsection 2 to be used to fund research, development and
8 demonstration projects relating to renewable energy technologies and to fund rebates
9 for cost-effective renewable energy technologies.

10 The commission shall adopt rules to implement this subsection. Rules adopted pursuant
11 to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter
12 2-A.

13 **Sec. 6. Existing contracts.** Retail electricity sales pursuant to a supply contract or
14 standard-offer service arrangement executed by a competitive electricity provider that is
15 in effect on the effective date of this Act are exempt from the requirements of the Maine
16 Revised Statutes, Title 35-A, section 3210, subsection 3-B until the end date of the
17 current term of the supply contract or standard-offer service arrangement.'

18 **SUMMARY**

19 This amendment is the minority report of the committee and it replaces the bill and
20 changes the title. This amendment differs from the bill in the following ways.

- 21 1. It changes the term "waste energy resources" to "waste-to-energy resources" to be
22 consistent with other statutory provisions.
- 23 2. It removes the section that would have added waste energy resources to the
24 definition of "renewable capacity resource" in order to clarify that waste-to-energy
25 resources would create a separate class of renewable energy credits.
- 26 3. It amends the definition of "renewable energy credit" to include electricity
27 generated from waste-to-energy resources.
- 28 4. It includes in the definition of "waste-to-energy resource" a provision that
29 disqualifies any generator that is a party to a power purchase agreement under the federal
30 Public Utility Regulatory Policies Act of 1978.
- 31 5. It lowers the proposed portfolio requirement for waste-to-energy resources from
32 3.5% to 1% from January 1, 2017 to February 14, 2018 and to 2.5% beginning February
33 15, 2018 to more accurately reflect the level of generation from the eligible waste-to-
34 energy facilities in Maine and to lessen the impact on ratepayers.
- 35 6. It adds language to clarify that renewable energy credits from waste-to-energy
36 resources used to satisfy the new portfolio requirement may not be used to satisfy eligible
37 resources and new renewable capacity resources portfolio requirements.
- 38 7. It sets the initial alternative compliance payment base rate at \$10 per megawatt-
39 hour, to be adjusted for inflation on an annual basis and published annually by the Public
40 Utilities Commission.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



127th MAINE LEGISLATURE

LD 273

LR 72(02)

An Act To Encourage and Enhance the Future of Waste-to-energy Facilities by Establishing a Portfolio Requirement for Electricity from Waste Energy Resources

Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-519)

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

Potential current biennium revenue increase - Other Special Revenue Funds

Potential transfer to Efficiency Maine Trust

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

The bill allows competitive electricity providers to pay an alternative compliance payment of \$10 per megawatt-hour to the Public Utilities Commission as a way to satisfy portfolio requirements for waste-to-energy resources. Any revenue would be transferred to the Energy Efficiency and Renewable Resource Fund within the Efficiency Maine Trust. The PUC has indicated that it is not expecting any competitive electricity providers to make these payments at this time. Beginning January 1, 2018, the PUC is required to adjust the alternative compliance payment rate by the annual change in the U.S. Bureau of Labor Statistics Consumer Price Index. Any additional costs to the PUC to require waste-to-energy resources to meet certain portfolio requirements are expected to be minor and can be absorbed within existing budgeted resources.