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L.D. 1649

Date: 4/13/16 Report C

(Filing No. H-668)

ENERGY, UTILITIES AND TECHNOLOGY

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

COMMITTEE AMENDMENT "C" to H.P. 1120, L.D. 1649, Bill, "An Act To Modernize Maine's Solar Power Policy and Encourage Economic Development"

Amend the bill in section 4 in §3471-A by inserting before subsection 1 the following:

1. Agricultural business. "Agricultural business" means a business located in the State and engaged in the commercial growing or harvesting of plants; raising of animals; growing or obtaining plant or animal by-products; aquaculture, as defined in Title 12, section 6001, subsection 1; or further processing, storing, packaging or marketing a raw product derived from plants, animals, plant or animal by-products or aquaculture, as defined in Title 12, section 6001, subsection 1, with the intent that the product be sold or otherwise disposed of to generate income. "Agricultural business" includes a business or activity that attracts visitors to a farm for the purpose of supplementing income from the primary crop or livestock operation. "Agricultural business" does not include a business engaged primarily in the growing, harvesting or further processing of forest species of trees for the purpose of producing pulp or other materials used in the paper manufacturing or wood manufacturing process.'

Amend the bill in section 4 in §3471-A in subsection 4 in the 4th line (page 3, line 15 in L.D.) by striking out the following: "this section the beneficial use of the output of the resources" and inserting the following: 'section 3478 the beneficial use of the output'

Amend the bill in section 4 in §3471-A by striking out all of subsection 6 (page 3, lines 18 to 27 in L.D.) and inserting the following:

6. Micro-combined heat and power system. "Micro-combined heat and power system" means a system that produces heat and electricity in a manner as defined by commission rule.'

Amend the bill in section 4 in §3471-A by renumbering the subsections to read consecutively.

Amend the bill in section 5 by striking out all of subsection 3 (page 4, lines 5 to 8 in L.D.) and inserting the following:

COMMITTEE AMENDMENT

1 3. Solar procurements. The commission shall procure solar distributed generation
 2 resources in the municipal, large-scale community, commercial and industrial, residential
 3 and small business and agricultural business market segments to achieve the targets in
 4 section 3475 using the procurement methods described in this chapter as long as the cost
 5 does not exceed the rate caps established in section 3475.

6 A contract for the procurement of solar distributed generation resources under this
 7 chapter may not be entered into after January 31, 2021.'

8 Amend the bill in section 6 in the first line (page 4, line 19 in L.D.) by striking out
 9 the following: "3481" and inserting the following: '3482'

10 Amend the bill in section 6 by striking out all of §3475 (page 4, lines 20 to 35 in
 11 L.D.) and inserting the following:

12 **'§3475. Solar procurement targets**

13 **1. Municipal.** The procurement target for the municipal solar distributed generation
 14 resources under section 3477 is 50 megawatts by January 1, 2022, to the extent that the
 15 target can be achieved under the rate cap in paragraph A.

16 A. The rate paid to municipal solar distributed generation resources may not exceed
 17 80% of the rate cap under subsection 4.

18 **2. Large-scale community.** The procurement target for the large-scale community
 19 solar distributed generation resources under section 3478 is 30 megawatts by January 1,
 20 2022, to the extent that the target can be achieved under the rate cap in paragraph A.

21 A. The rate paid to large-scale community solar distributed generation resources may
 22 not exceed 80% of the rate cap under subsection 4.

23 **3. Commercial and industrial.** The procurement target for the commercial and
 24 industrial solar distributed generation resources under section 3479 is 50 megawatts by
 25 January 1, 2022, to the extent that the target can be achieved under the rate cap in
 26 paragraph A.

27 A. The rate paid to commercial and industrial solar distributed generation resources
 28 may not exceed 80% of the rate cap under subsection 4.

29 **4. Residential and small business.** The procurement target for the residential and
 30 small business solar distributed generation resources under section 3480 is 75 megawatts,
 31 to the extent that the target can be achieved under the following rate caps:

32 A. Twelve cents per kilowatt-hour through calendar year 2017;

33 B. Eleven and 1/2 cents per kilowatt-hour through calendar year 2018;

34 C. Eleven cents per kilowatt-hour through calendar year 2019;

35 D. Ten and 1/2 cents per kilowatt-hour through calendar year 2020; and

36 E. Ten cents per kilowatt-hour through calendar year 2021.

37 **5. Agricultural business.** The procurement target for the agricultural business
 38 distributed generation resources under section 3481 is 20 megawatts, to the extent that the
 39 target can be achieved under the rate cap established under subsection 4.'

R O F S

1 Amend the bill in section 6 in section §3476 in subsection 2 by striking out all of
2 paragraph B (page 5, lines 15 to 17 in L.D.) and inserting the following:

3 'B. Reimburse investor-owned transmission and distribution utilities for any bill
4 credit or payment to a customer, subscriber or project sponsor pursuant to section
5 3477, 3478, 3479, 3480 or 3481.'

6 Amend the bill in section 6 in §3476 in subsection 3 by striking out all of paragraphs
7 B and C (page 5, lines 36 to 39 in L.D.) and inserting the following:

8 'B. All payments to customers, subscribers and project sponsors under each
9 procurement pursuant to sections 3477 to 3481;

10 C. Any costs of providing renewable energy credits to participating customers
11 pursuant to section 3478, subsection 8 and section 3480, subsection 7; and'

12 Amend the bill in section 6 by striking out all of §3477 and inserting the following:

13 **§3477. Municipal solar procurement**

14 **1. Procurement.** The commission shall conduct a competitive solicitation as
15 frequently as the commission determines reasonable but no less than once per year for
16 long-term contracts for the output of solar distributed generation resources of up to 5
17 megawatts associated with a single municipal customer account. In each calendar year,
18 the commission shall seek to procure approximately 20% of the capacity needed to meet
19 the procurement target in section 3475, subsection 1; except that the commission may
20 modify this annual allocation if it concludes that doing so would be in the best interests of
21 all ratepayers. Prior to a solicitation, the commission shall develop, in consultation with
22 the standard buyer, a standard contract that commits all parties to commercially
23 reasonable behavior and includes provisions to ensure that projects proceed to
24 commercial operation on a reasonable timeline.

25 **2. Bidder eligibility.** The commission may establish minimum requirements for
26 bidders in a solicitation under subsection 1, including but not limited to site control,
27 completion of an interconnection application and system details for potential bidders. The
28 commission may require bidders to pay an application fee to defray administrative costs.

29 **3. Ensuring competition.** Prior to each solicitation under subsection 1, the
30 commission shall establish standards to ensure that the solicitation has a sufficient
31 number of unique bidders and quantity of offered capacity to be determined competitive.
32 If the commission concludes based on these standards that a solicitation is not
33 competitive, no bidders may be selected and the capacity available in that solicitation
34 must be deferred to a subsequent solicitation. The commission may adjust the maximum
35 project size eligible for a solicitation to ensure that there is more than one bid selected.

36 **4. Bid selection.** Following review of bids, if the commission determines that the
37 solicitation under subsection 1 is competitive, the commission shall select one or more
38 winning bidders and direct the standard buyer to negotiate and enter into a contract with
39 the winning bidder or bidders for a term of 15 years at a specified contract rate. When
40 selecting bids, the commission shall consider the geographic distribution of solar
41 distributed generation resources in the State, grid reliability and overall economic

1 benefits. The commission shall select bids that maximize benefits or minimize costs to all
 2 ratepayers.

3 **5. Determination of bill credit.** A bill credit must be allocated to the municipal
 4 customer or the eligible customers as designated by the municipal customer. For the
 5 purposes of this section, "eligible customer" means the following customers located
 6 within a municipality:

- 7 A. Any municipal entity;
- 8 B. A quasi-municipal corporation or district as defined in Title 30-A, section 2351,
 9 subsection 4; or
- 10 C. A school administrative unit as defined in Title 20-A, section 1, subsection 26.

11 The bill credit to be allocated to a municipal customer or the eligible customers must be
 12 based on the total kilowatt-hours of energy production of the solar distributed generation
 13 resource for the previous month. Each billing month, the value of the credits must be
 14 calculated by multiplying the number of kilowatt-hours by the contract rate. Payments to
 15 a customer must be credited against the customer's monthly electricity bill in accordance
 16 with section 3482.

17 The monthly production must be determined by a revenue-grade meter installed and paid
 18 for by the participating municipal customer.

19 **6. Exemption.** A customer is not considered a public utility or competitive
 20 electricity supplier solely as a result of entering into a contract with the standard buyer
 21 under this section.

22 **7. Rules.** The commission shall adopt rules to implement this section by January 1,
 23 2017. Rules adopted under this subsection are routine technical rules as defined in Title 5,
 24 chapter 375, subchapter 2-A.'

25 Amend the bill in section 6 in §3478 by striking out all of subsection 4 (page 7, lines
 26 20 to 25 in L.D.) and inserting the following:

27 '4. Bid selection. Following review of bids in a solicitation under subsection 1, if the
 28 commission determines that the solicitation is competitive, the commission shall select
 29 one or more winning bidders and direct the standard buyer to negotiate and enter into a
 30 contract with the winning bidder or bidders for a term of 15 years at a specified contract
 31 rate. When selecting bids, the commission shall consider the geographic distribution of
 32 solar distributed generation resources in the State, grid reliability and overall economic
 33 benefits. The commission shall select bids that maximize benefits or minimize costs to
 34 all ratepayers.'

35 Amend the bill in section 6 in §3478 in subsection 6 in the first paragraph in the last
 36 line (page 8, line 2 in L.D.) by striking out the following: "3481" and inserting the
 37 following: '3482'

38 Amend the bill in section 6 in §3478 in subsection 8 by striking out all of the last 4
 39 lines (page 8, lines 13 to 16 in L.D.) and inserting the following:

40 'The commission shall establish a mechanism to allow a subscriber to a large-scale
 41 community solar distributed generation resource under this section to purchase renewable

1 energy credits equivalent to those the subscriber has sold to the standard solar buyer at a
2 price equal to 80% of market value.'

3 Amend the bill in section 6 in §3478 in subsection 10 in paragraph B in the 2nd line
4 (page 8, line 33 in L.D.) by striking out the following: "3481" and inserting the following:
5 '3482'

6 Amend the bill in section 6 in §3479 by striking out all of subsection 4 (page 10, lines
7 11 to 16 in L.D.) and inserting the following:

8 **'4. Bid selection.** Following review of bids, if the commission determines that the
9 solicitation is competitive, the commission shall select one or more winning bidders and
10 direct the standard buyer to negotiate and enter into a contract with the winning bidder or
11 bidders for a term of 15 years at a specified contract rate to be paid as a bill credit to the
12 commercial and industrial customer. When selecting bids, the commission shall consider
13 the geographic distribution of solar distributed generation resources in the State, grid
14 reliability and overall economic benefits. The commission shall select bids that
15 maximize benefits or minimize costs to all customers.'

16 Amend the bill in section 6 in §3479 in subsection 5 in the first paragraph in the last
17 line (page 10, line 22 in L.D.) by striking out the following: "3481" and inserting the
18 following: '3482'

19 Amend the bill in section 6 in §3480 by striking out all of subsections 1 to 3 (page 10,
20 lines 32 to 40 and page 11, lines 1 to 23 in L.D.) and inserting the following:

21 **'1. Long-term contracts.** The standard buyer shall enter into a long-term contract of
22 no longer than 15 years with a residential or small business customer for the output of a
23 distributed generation resource of 250 kilowatts or less. The rate paid for the output must
24 be set by the commission in accordance with subsection 2. Payments to customers under
25 a contract under this section must be credited against the customer's monthly electricity
26 bill in accordance with section 3482.

27 **'2. Rates.** The commission shall establish the rates to be paid for the output of
28 distributed generation resources under a contract between a residential or small business
29 customer and the standard buyer under subsection 1. The rates established by the
30 commission under this section may not exceed the rate cap established under section
31 3475, subsection 4.

32 Rates must be sufficient to ensure, to the extent possible, that the total capacity of
33 installations meets the residential and small business procurement targets set forth in
34 section 3475, subsection 4. In determining whether rates are sufficient, the commission
35 shall consider independent analysis of installation costs and development projections in
36 establishing the rates, including but not limited to those from the United States
37 Department of Energy, Office of Energy Efficiency and Renewable Energy, National
38 Renewable Energy Laboratory.

39 The commission may establish separate rates for specific types of distributed generation
40 resources or additional incentives or a per kilowatt-hour increase in contract price for
41 resources with attributes that maximize benefits or lower costs to all customers, subject to
42 the rate cap established under section 3475, subsection 4.'

- 1 Amend the bill in section 6 in §3480 in subsection 4 in the first line (page 11, line 24
2 in L.D.) by striking out the following: "section" and inserting the following: 'subsection'
- 3 Amend the bill in section 6 in §3480 in subsection 6 in the 3rd line (page 11, line 38
4 in L.D.) by striking out the following: "10" and inserting the following: '9'
- 5 Amend the bill in section 6 in §3480 in subsection 6 in the 4th line (page 11, line 39
6 in L.D.) by striking out the following: "10" and inserting the following: '9'
- 7 Amend the bill in section 6 in §3480 in subsection 6 in the last line (page 11, line 41
8 in L.D.) by striking out the following: "11" and inserting the following: '10'
- 9 Amend the bill in section 6 in §3480 by striking out all of subsection 7 (page 12, lines
10 1 to 24 in L.D.) and inserting the following:
- 11 **7. Existing net energy billing customers.** A customer who has elected net energy
12 billing pursuant to section 3209-A prior to the effective date of rules established pursuant
13 to subsection 9 continues to be eligible for compensation in the form of a kilowatt-hour
14 credit on the customer's monthly electricity bill for generation in excess of that customer's
15 consumption for that month, which may be carried forward and applied to the customer's
16 subsequent monthly electricity bills over 12 months, or the financial equivalent of that
17 credit, for 12 years from the effective date of rules established pursuant to subsection 9.
18 Notwithstanding the limitation on facility size under subsection 1, the commission shall
19 establish a process to permit customers eligible under this subsection to enter into
20 contracts and receive payments under subsections 1 and 2.
- 21 Notwithstanding the limitation on facility size under subsection 1, a customer who has
22 elected net energy billing between January 1, 2016 and the effective date of the rules
23 established pursuant to subsection 9 may choose to enter into a contract at the initial rate
24 established by the commission under subsection 2 prior to any decline in rate, as long as
25 that customer makes that choice within one year of the effective date of the rules.
- 26 The capacity of a net energy billing customer who has installed a solar distributed
27 generation resource and participated in net energy billing under section 3209-A prior to
28 the effective date of rules established pursuant to subsection 9 and elects to enter into a
29 long-term contract under this subsection may not be counted against the procurement
30 target in section 3475, subsection 4 or the cap on total annual contract payments under
31 subsection 2 or trigger any decline in prices.
- 32 No later than December 31, 2028, the commission shall initiate a proceeding to consider
33 methods to allow an owner of a distributed generation resource to continue to offset that
34 owner's own consumption and receive fair compensation for exported power in a manner
35 that benefits all ratepayers.'
- 36 Amend the bill in section 6 in §3480 by striking out all of subsection 11 (page 12,
37 lines 42 and 43 and page 13, lines 1 to 26 in L.D.) and inserting the following:
- 38 **11. Program review.** By one year after the effective date of rules adopted pursuant
39 to subsection 9, or when 14 megawatts of capacity have been installed by residential and
40 small business customers pursuant to this section, whichever is earlier, the commission
41 shall initiate an expedited proceeding to determine whether:

1 A. The procurement targets in section 3475, subsection 4 are likely to be met through
 2 2022; and

3 B. The total cost to all customers is likely to be less than if the procurement targets in
 4 section 3475, subsection 4 were installed under the commission's net energy billing
 5 rules.

6 If at the time of a proceeding under this subsection the commission concludes that there is
 7 not sufficient information to conduct an evaluation of the conditions under paragraphs A
 8 and B, the commission may defer the evaluation for an additional 6 months.

9 If the commission concludes that both conditions under paragraphs A and B will be met,
 10 the rules established pursuant to subsection 9 remain in effect, and net energy billing
 11 pursuant to section 3209-A is not available to new customers in the future.

12 If the commission concludes that the condition under paragraph A or B will not be met,
 13 the commission shall make findings regarding the reasons the condition will not be met
 14 and provide a report summarizing its conclusions to the joint standing committee of the
 15 Legislature having jurisdiction over utility matters within 30 days of the start of the First
 16 Regular Session of the 129th Legislature. If the commission determines that the rules
 17 adopted under this section can be modified to enable the program to meet procurement
 18 targets or reduce costs so that the conditions under paragraphs A and B are likely to be
 19 met in the future, it shall make and submit such changes to the First Regular Session of
 20 the 129th Legislature. If the commission determines that these rules cannot be modified
 21 to meet these targets or reduce costs, the commission shall review its net energy billing
 22 rules or recommend alternative mechanisms to support distributed generation in a manner
 23 that benefits all ratepayers. If the commission does not propose changes to the rules
 24 adopted pursuant to subsection 9 or new rules are not adopted within 60 days of the
 25 adjournment of the First Regular Session of the 129th Legislature, net energy billing
 26 pursuant to section 3209-A must be made available to new customers beginning 60 days
 27 after adjournment of the First Regular Session of the 129th Legislature.'

28 Amend the bill in section 6 in §3480 by renumbering the subsections to read
 29 consecutively.

30 Amend the bill in section 6 by inserting after §3480 the following:

31 **§3481. Agricultural business solar procurement**

32 **1. Long-term contracts.** The standard buyer shall enter into a 15-year long-term
 33 contract with an agricultural business customer for the output of a distributed generation
 34 resource of 500 kilowatts or less. The rate paid for the output must be set by the
 35 commission in accordance with subsection 2. Payments to a customer under a contract
 36 under this section must be credited against the customer's monthly electricity bill in
 37 accordance with section 3482.

38 **2. Rates.** The commission shall establish the rates to be paid for the output of
 39 distributed generation resources under a contract between an agricultural business
 40 customer and the standard buyer under subsection 1. The rates established by the
 41 commission under this section may not exceed the rate cap established under section
 42 3475, subsection 5.

1 Rates must be sufficient to ensure to the extent possible that the total capacity of
 2 installations meets the agricultural business procurement targets set forth in section 3475,
 3 subsection 5. In determining whether rates are sufficient, the commission shall consider
 4 independent analysis of installation costs and development projections in establishing the
 5 rates, including but not limited to those from the United States Department of Energy,
 6 Office of Energy Efficiency and Renewable Energy, National Renewable Energy
 7 Laboratory.

8 **3. Self-consumption.** Notwithstanding subsection 1, an agricultural business
 9 customer may offset that customer's own consumption using that customer's distributed
 10 generation resource on an hourly basis. The commission may specify a longer period for
 11 measuring self-consumption if it determines that a transmission and distribution utility
 12 cannot track consumption on an hourly basis using a standard residential meter.

13 **4. Renewable energy credits.** A participating agricultural business customer retains
 14 all environmental attributes associated with electricity generated by a distributed
 15 generation resource that is not exported to the grid and sold to the standard buyer. The
 16 commission shall develop a standard disclosure to be provided to all participating
 17 customers prior to their entering into a contract under this section that describes the effect
 18 of selling the renewable attributes of exported electricity to the standard buyer and
 19 explains how a customer may participate in the voluntary renewable energy credit
 20 market.

21 The commission shall establish a mechanism to allow an agricultural business customer
 22 who has entered into a long-term contract under this section to purchase renewable
 23 energy credits equivalent to those the customer has sold to the standard solar buyer at a
 24 price equal to 80% of market value.

25 **5. Consumer-owned utility exemption.** This section does not apply to a consumer-
 26 owned transmission and distribution utility and its customers.

27 **6. Rules.** The commission shall adopt rules to implement this section by January 1,
 28 2017. Rules adopted under this subsection are routine technical rules as defined in Title 5,
 29 chapter 375, subchapter 2-A.'

30 Amend the bill in section 6 by renumbering any nonconsecutive section number to
 31 read consecutively.

32 Amend the bill in section 7 in the first line (page 13, line 40 in L.D.) by striking out
 33 the following: "Siting of solar distributed generation resources." and inserting the
 34 following: 'Report; siting of solar distributed generation resources on pre-existing
 35 impervious surfaces or brownfields.'

36 Amend the bill by adding after section 7 the following:

37 **'Sec. 8. Report; siting of solar distributed generation resources on**
 38 **farmland.** By January 1, 2017, the Department of Agriculture, Conservation and
 39 Forestry shall submit to the joint standing committee of the Legislature having
 40 jurisdiction over energy and utilities matters and the joint standing committee of the
 41 Legislature having jurisdiction over agricultural matters a report that evaluates what
 42 actions can be taken to ensure that any new solar distributed generation resource procured
 43 pursuant to the Maine Revised Statutes, Title 35-A, sections 3477 to 3479 and proposed

1 to be built on farmland designated as "prime farmland" or "farmland of statewide
 2 importance" by the United States Department of Agriculture is designed and built in a
 3 manner that does not remove topsoil or otherwise permanently impair the suitability of
 4 that land for future agricultural use. The report must also include an evaluation of what
 5 actions can be taken to ensure that the decommissioning of solar distributed generation
 6 resources procured pursuant to Title 35-A, sections 3477 to 3479 on farmland that is
 7 designated as "prime farmland" or "farmland of statewide importance" occurs in a
 8 manner that enables the farmland to be returned to agricultural use. The report may
 9 include recommendations for legislation that may be necessary to address these issues.
 10 The joint standing committees may each report out a bill to the First Regular Session of
 11 the 128th Legislature based on the report. The Public Utilities Commission may not
 12 contract for a new solar distributed generation resource pursuant to Title 35-A, sections
 13 3477 to 3479 if it is to be sited on farmland designated as "prime farmland" or "farmland
 14 of statewide importance" by the United States Department of Agriculture until 90 days
 15 after the First Regular Session of the 128th Legislature.

16 **Sec. 9. Reports.** By February 1, 2019 and again by February 1, 2021, the Public
 17 Utilities Commission shall submit to the joint standing committee of the Legislature
 18 having jurisdiction over utilities and energy matters a report on the status of solar
 19 distributed generation resource procurement. Each report must include the level of
 20 procurement for each solar distributed generation resource segment and how that
 21 compares to the procurement targets for those segments established in the Maine Revised
 22 Statutes, Title 35-A, section 3475. If the commission determines that procurement targets
 23 are unlikely to be met, the report must include recommendations to achieve procurement
 24 targets. The report may also include other recommendations as they relate to Title 35-A,
 25 chapter 34-B. The joint standing committee of the Legislature having jurisdiction over
 26 utilities and energy matters may report out a bill relating to solar distributed generation
 27 resource procurement to the First Regular Session of the 129th Legislature and may also
 28 report out a bill relating to solar distributed generation resource procurement to the First
 29 Regular Session of the 130th Legislature.

30 **Sec. 10. Appropriations and allocations.** The following appropriations and
 31 allocations are made.

32 **AGRICULTURE, CONSERVATION AND FORESTRY, DEPARTMENT OF**
 33 **Geological Survey 0237**

34 Initiative: Provides funds to hire a consultant to assist the department in preparing a
 35 report related to solar distributed generation resources proposed to be built on certain
 36 farmland.

37	GENERAL FUND	2015-16	2016-17
38	All Other	\$0	\$10,000
39			
40	GENERAL FUND TOTAL	\$0	\$10,000

ROFS

COMMITTEE AMENDMENT "C" to H.P. 1120, L.D. 1649

1	AGRICULTURE, CONSERVATION AND		
2	FORESTRY, DEPARTMENT OF		
3	DEPARTMENT TOTALS	2015-16	2016-17
4			
5	GENERAL FUND	\$0	\$10,000
6			
7	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$10,000

8 **PUBLIC UTILITIES COMMISSION**

9 **Public Utilities - Administrative Division 0184**

10 Initiative: Establishes one Utility Analyst - Public Services Coordinator III position and
11 one Staff Attorney - Public Services Coordinator III position.

12	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
13	POSITIONS - LEGISLATIVE COUNT	0.000	2.000
14	Personal Services	\$0	\$203,946
15	All Other	\$0	\$11,372
16			
17	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$215,318

18 **PUBLIC UTILITIES COMMISSION**

19	DEPARTMENT TOTALS	2015-16	2016-17
20			
21	OTHER SPECIAL REVENUE FUNDS	\$0	\$215,318
22			
23	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$215,318

24 **SECTION TOTALS**

25		2015-16	2016-17
26	GENERAL FUND	\$0	\$10,000
27	OTHER SPECIAL REVENUE FUNDS	\$0	\$215,318
28			
29	SECTION TOTAL - ALL FUNDS	\$0	\$225,318
30			

31 **SUMMARY**

32 This amendment is the minority report of the committee. This amendment does the
33 following.

- 34 1. It corrects cross-references in the bill to other sections within the bill and corrects
35 terminology for consistency.

COMMITTEE AMENDMENT

ROFS

COMMITTEE AMENDMENT "C" to H.P. 1120, L.D. 1649

- 1 2. It removes the grid-scale segment and adds a municipal solar distributed
2 generation resource segment and an agricultural business solar distributed generation
3 resource segment.
- 4 3. It changes the procurement targets for all segments and sets decreasing rate caps.
- 5 4. It reduces the term for a contract to 15 years, except in the residential and small
6 business segment, which is no longer than 15 years.
- 7 5. It removes provisions related to rates that are no longer applicable due to the rate
8 caps.
- 9 6. It clarifies that existing net energy customers may enter into contracts even if they
10 exceed the facility size limitations in the bill for a residential and small business
11 distributed generation resource.
- 12 7. It changes the time frame for program review of the residential and small business
13 segment to one year or when 14 megawatts of capacity have been installed, whichever is
14 earlier, instead of 18 months or 21 megawatts as in the bill.
- 15 8. It changes the reporting date on the program review from the Second Regular
16 Session of the 129th Legislature to the First Regular Session of the 129th Legislature.
- 17 9. It requires the Department of Agriculture, Conservation and Forestry to submit a
18 report to the joint standing committee of the Legislature having jurisdiction over energy
19 and utilities matters and the joint standing committee of the Legislature having
20 jurisdiction over agricultural matters that evaluates what actions can be taken to ensure
21 that any new solar distributed generation resource procured pursuant to the Maine
22 Revised Statutes, Title 35-A, sections 3477 to 3479 on "prime farmland" or "farmland of
23 statewide importance" is designed, built and decommissioned in a manner that retains
24 topsoil and enables the farmland to be returned to agricultural use. Each committee is
25 authorized to report out a bill to the First Regular Session of the 128th Legislature based
26 on the report.
- 27 10. It prohibits the Public Utilities Commission from contracting for new solar
28 distributed generation resources to be sited on farmland designated as "prime farmland"
29 or "farmland of statewide importance" until 90 days after the First Regular Session of the
30 128th Legislature.
- 31 11. It adds 2 reporting requirements, one in 2019 and one in 2021 to the joint
32 standing committee of the Legislature having jurisdiction over utilities and energy
33 matters on the status of solar distributed generation resource procurement. It requires the
34 Public Utilities Commission to report on the status of procurement for each distributed
35 generation resource segment. If procurement targets are not likely to be met, the
36 commission is directed to include recommendations to achieve those targets. The
37 committee may report out a bill to the First Regular Session of the 129th Legislature and
38 may report out a bill to the First Regular Session of the 130th Legislature.
- 39 12. It adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



127th MAINE LEGISLATURE

LD 1649

LR 2731(04)

An Act To Modernize Maine's Solar Power Policy and Encourage Economic Development

Fiscal Note for Bill as Amended by Committee Amendment *C (H-668)*
Committee: Energy, Utilities and Technology
Fiscal Note Required: Yes

Fiscal Note

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
Net Cost (Savings)				
General Fund	\$0	\$10,000	\$0	\$0
Appropriations/Allocations				
General Fund	\$0	\$10,000	\$0	\$0
Other Special Revenue Funds	\$0	\$215,318	\$252,998	\$263,258
Revenue				
Other Special Revenue Funds	\$0	\$215,318	\$252,998	\$263,258

Fiscal Detail and Notes

The bill requires the Public Utilities Commission (PUC) to arrange for a solar power offer, conduct competitive solicitations for solar distributed generation resources and initiate a proceeding. The bill establishes one Utility Analyst - Public Services Coordinator III position and one Staff Attorney - Public Services Coordinator III position to take part in the required proceedings, rulemakings and periodic solicitations and contract evaluations. This bill includes an Other Special Revenue Funds allocation of \$215,318 in fiscal year 2016-17 for these two positions. The PUC will receive \$215,318 in Other Special Revenue Funds revenue in fiscal year 2016-17 from increased assessments to fund these two new positions.

The bill also requires the Department of Agriculture, Conservation and Forestry (ACF) to submit a report to the Legislature that evaluates what actions can be taken to ensure that any new solar distributed generation resource procured and proposed to be built on certain farmland does not remove topsoil or impair the suitability of that land for agricultural use. ACF has indicated the cost to hire a consultant to prepare this report would be \$10,000. The bill includes a one-time General Fund appropriation in fiscal year 2016-17 for this purpose.