

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 1061

H.P. 744

House of Representatives, March 16, 2017

An Act To Increase Investment and Regulatory Stability in the Electric Industry

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative PIERCE of Dresden.
Cosponsored by Senator SAVIELLO of Franklin and
Representatives: DeCHANT of Bath, FREDETTE of Newport, TUCKER of Brunswick,
WADSWORTH of Hiram, Senators: CARPENTER of Aroostook, CUSHING of Penobscot,
VITELLI of Sagadahoc, WOODSOME of York.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 35-A MRSA §3210-C, sub-§1, ¶F-1** is enacted to read:

3 F-1. "Term sheet" means a preliminary document that outlines the terms of a
4 proposal accepted under a request for proposals that is not binding on the parties but
5 assists the parties in drafting a final agreement based upon the accepted proposal.

6 **Sec. 2. 35-A MRSA §3210-C, sub-§3**, as amended by PL 2013, c. 424, Pt. A,
7 §20, is further amended to read:

8 **3. Commission authority.** The commission may direct investor-owned
9 transmission and distribution utilities to enter into long-term contracts for:

10 A. Capacity resources;

11 B. Any available energy associated with capacity resources contracted under
12 paragraph A:

13 (1) To the extent necessary to fulfill the policy of subsection 2, paragraph A; or

14 (2) If the commission determines appropriate for purposes of supplying or
15 lowering the cost of standard-offer service or otherwise lowering the cost of
16 electricity for the ratepayers in the State. Available energy contracted pursuant to
17 this subparagraph may be sold into the wholesale electricity market in
18 conjunction with solicitations for standard-offer supply bids; ~~and~~

19 C. Any available renewable energy credits associated with capacity resources
20 contracted under paragraph A. The price paid by the investor-owned transmission
21 and distribution utility for the renewable energy credits must be lower than the price
22 received for those renewable energy credits at the time they are sold by the
23 investor-owned transmission and distribution utility; and

24 D. Regional procurement of transmission infrastructure, capacity resources, energy
25 or renewable energy credits.

26 The commission may permit, but may not require, investor-owned transmission and
27 distribution utilities to enter into contracts for differences that are designed and intended
28 to buffer ratepayers in the State from potential negative impacts from transmission
29 development. To the greatest extent possible, the commission shall develop procedures
30 for long-term contracts for investor-owned transmission and distribution utilities under
31 this subsection having the same legal and financial effect as the procedures used for
32 standard-offer service pursuant to section 3212 for investor-owned transmission and
33 distribution utilities.

34 The commission may enter into contracts for interruptible, demand response or energy
35 efficiency capacity resources. These contracts are not subject to the rules of the State
36 Purchasing Agent. In a competitive solicitation conducted pursuant to subsection 6, the
37 commission shall allow transmission and distribution utilities to submit bids for
38 interruptible or demand response capacity resources.

39 Capacity resources contracted under this subsection may not exceed the amount
40 necessary to ensure the reliability of the electric grid of this State, to meet the energy

1 efficiency program budget allocations articulated in the triennial plan as approved by the
2 commission pursuant to section 10104, subsection 4 or any annual update plan approved
3 by the commission pursuant to section 10104, subsection 6 or to lower customer costs as
4 determined by the commission pursuant to rules adopted under subsection 10.

5 Unless the commission determines the public interest requires otherwise, a capacity
6 resource may not be contracted under this subsection unless the commission determines
7 that the capacity resource is recognized as a capacity resource for purposes of any
8 regional or federal capacity requirements.

9 The commission shall ensure that any long-term contract authorized under this subsection
10 is consistent with the State's goals for greenhouse gas reduction under Title 38, section
11 576 and the regional greenhouse gas initiative as described in the state climate action plan
12 required in Title 38, section 577.

13 By January 1st of each year, the commission shall submit an annual report to the joint
14 standing committee of the Legislature having jurisdiction over energy and utilities
15 matters on the procurement of capacity resources, energy and renewable energy credits in
16 the preceding 12 months that the procurement is consistent with the State's goals for
17 greenhouse gas reduction. The report under this subsection must contain information
18 including, but not limited to, the number of requests for proposals by the commission for
19 long-term contracts under this subsection, the number of responses to requests for
20 proposals, the number of executed term sheets or contracts resulting from the requests for
21 proposals and the number of megawatts produced through contracts under this subsection.
22 The report must also include a plan for the succeeding 12 months pertaining to the
23 procurement of capacity resources, energy and renewable energy credits, including dates
24 for requests for proposals, types of resources and anticipated dates of executions of
25 contracts.

26 **Sec. 3. 35-A MRSA §3405** is enacted to read:

27 **§3405. Rules**

28 The commission may adopt rules to carry out the purposes of this chapter. Rules
29 adopted pursuant to this section are major substantive rules as defined by Title 5, chapter
30 375, subchapter 2-A.

31 **Sec. 4. 35-A MRSA §3452, sub-§5** is enacted to read:

32 **5. Rules.** Rules to implement this section are major substantive rules as defined by
33 Title 5, chapter 375, subchapter 2-A.

34 **Sec. 5. 35-A MRSA §3457, last ¶**, as enacted by PL 2007, c. 661, Pt. A, §7, is
35 amended to read:

36 Rules adopted pursuant to this section are ~~routine technical~~ major substantive rules as
37 defined in Title 5, chapter 375, subchapter 2-A.

38 **Sec. 6. Stakeholder group.** The Department of Environmental Protection shall
39 convene a stakeholder group regarding the effect of expedited wind energy development
40 on scenic character and existing uses pursuant to the Maine Revised Statutes, Title 12,

1 section 685-B, subsection 4 or Title 38, section 480-D or section 484, subsection 3. By
2 December 6, 2017, the stakeholder group may issue a report of its findings, including
3 recommended legislation, to the Joint Standing Committee on Energy, Utilities and
4 Technology.

5 **SUMMARY**

6 This bill does the following.

7 1. It gives the Public Utilities Commission authority to direct investor-owned
8 transmission and distribution utilities to enter into long-term contracts for regional
9 procurement of capacity resources, energy or renewable energy credits.

10 2. It requires the Public Utilities Commission to issue an annual report on the
11 procurement of capacity resources, energy and renewable energy credits in the preceding
12 12 months with a plan for the succeeding 12 months that is consistent with the State's
13 goals for greenhouse gas reduction.

14 3. It requires certain rules adopted under the expedited permitting of grid-scale wind
15 energy development provisions to be major substantive rules.

16 4. It allows a property owner to request that the owner's property be included as an
17 expedited permitting area for grid-scale wind energy development.

18 5. It requires rules in determining the effects of grid-scale wind energy development
19 on scenic character and related existing uses to be major substantive rules.

20 6. It directs the Department of Environmental Protection to convene a stakeholder
21 group regarding the effect of expedited wind energy on scenic character and existing
22 uses, which may issue a report of its findings, including recommended legislation, to the
23 Joint Standing Committee on Energy, Utilities and Technology.