

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 1352

S.P. 460

In Senate, April 6, 2017

An Act To Advance Locally Owned Solar Energy Systems

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

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator WOODSOME of York.
Cosponsored by Senator: DION of Cumberland.

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

2 **Sec. 1. 35-A MRSA §3210-F, sub-§1, ¶B,** as enacted by PL 2013, c. 454, §2, is
3 amended to read:

4 B. "Long-term energy contract" means a contract with an investor-owned
5 transmission and distribution utility entered into under section 3210-C, 3475 or
6 ~~section~~ 3604.

7 **Sec. 2. 35-A MRSA §3475** is enacted to read:

8 **§3475. Grid-scale solar procurement**

9 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
10 following terms have the following meanings.

11 A. "Grid-scale solar electricity generating facility" or "grid-scale project" means a
12 photovoltaic electricity generating system with a generating capacity between 2
13 megawatts and 10 megawatts.

14 B. "Qualifying brownfields site" means a municipally owned inactive capped
15 landfill, a municipally owned active landfill with capped sections that can
16 accommodate a solar installation, or a site that is contaminated with hazardous
17 material that has been capped or remediated in accordance with a plan approved by
18 the appropriate state or federal agency.

19 C. "Qualifying local owner" means an individual who is a resident of the State or a
20 business or corporation organized under the laws of the State, at least 51% of which
21 is owned by one or more residents of the State.

22 **2. Procurement.** The commission shall issue a request for proposals within 6
23 months of the effective date of this section to procure 35 megawatts of installed
24 generating capacity from grid-scale solar electricity generating facilities as follows:

25 A. One grid-scale project, 10 megawatts in size, located on a qualifying brownfields
26 site;

27 B. Three grid-scale projects, 5 megawatts in size; and

28 C. Five grid-scale projects, 2 megawatts in size.

29 If the commission does not receive eligible proposals to procure all 35 megawatts of
30 installed generating capacity from grid-scale solar electricity generating facilities, the
31 commission may issue additional requests for proposals every 6 months until all 35
32 megawatts are procured.

33 The commission shall give preference to a 2-megawatt or 5-megawatt grid-scale project
34 that is proposed to be located on a qualifying brownfields site. The commission shall
35 give preference to those proposals that are most likely to begin commercial operation the
36 soonest.

37 Prior to the issuance of a request for proposals, the commission shall develop, in
38 consultation with an investor-owned transmission and distribution utility, a standard

1 contract that commits all parties to commercially reasonable behavior and includes
2 provisions to ensure that grid-scale projects proceed to commercial operation within 24
3 months of receiving a contract.

4 **3. Eligibility.** In order to be eligible for a contract under this section, an applicant
5 for a grid-scale project must submit to the commission in response to a request for
6 proposals:

7 A. Documentation of a resolution of support passed by the municipal legislative
8 body or municipal officers of the municipality in which the grid-scale project is
9 proposed to be located;

10 B. Evidence of approved interconnection into the electric grid of the State or that an
11 interconnection application has been filed with the appropriate transmission and
12 distribution utility and that required applicable fees and costs have been paid;

13 C. Evidence that the applicant is actively engaged in all necessary permitting
14 processes required for the grid-scale project to be constructed;

15 D. Written assurance that the project will be operational within 24 months of
16 receiving a contract; and

17 E. Evidence that at least 51% of the facility is owned by a qualifying local owner.

18 **4. Long-term contracts.** After reviewing proposals, the commission may direct an
19 investor-owned transmission and distribution utility to enter into a long-term contract for
20 the energy and capacity of an eligible grid-scale project located within the service
21 territory of the utility. The contract must include the following provisions:

22 A. A term of 20 years, commencing from when the grid-scale project first delivers
23 energy to the transmission and distribution utility's system;

24 B. A price per kilowatt-hour to be paid for both the energy and capacity of the
25 grid-scale project of \$0.067 regardless of project size or location; and

26 C. A provision requiring ownership and monetary benefits from any renewable
27 energy credit generated by the grid-scale project to be retained by the owner of the
28 grid-scale project.

29 Notwithstanding paragraph C, the commission may direct the utility to enter into a
30 long-term contract for the purchase of renewable energy credits if, in its discretion, it
31 determines there is a benefit to ratepayers based on the terms and pricing offered to the
32 utility from the grid-scale project. A contract for renewable energy credits may not be for
33 a term exceeding 15 years.

34 An investor-owned transmission and distribution utility shall sell energy, capacity or
35 renewable energy credits purchased pursuant to this section into the wholesale electricity
36 market or take any other action, as directed by the commission, related to energy,
37 capacity or renewable energy credits purchased pursuant to this section.

38 A consumer-owned transmission and distribution utility may, at the option of the utility,
39 and with commission approval, enter into long-term contracts for eligible grid-scale
40 projects located within the service territory of the utility for energy, capacity or renewable

1 energy credits, as long as the necessary infrastructure exists to transmit the electricity
2 generated into an investor-owned transmission and distribution utility's service territory.

3 Contract payments for energy may be made only after the contracted amounts of energy
4 have been provided.

5 **5. Cost recovery.** The commission shall ensure that all costs and direct financial
6 benefits associated with contracts entered into under this section are allocated to
7 ratepayers in accordance with section 3210-F. A price differential existing at any time
8 during the term of the contract between the contract price and the prevailing market price
9 at which the energy, capacity or renewable energy credit is sold must be reflected in the
10 amounts charged to ratepayers and may not be considered imprudent.

11 For the purposes of this subsection, "ratepayer" does not include those customers
12 receiving service at a transmission or subtransmission voltage level as defined in section
13 10110, subsection 6.

14 **6. Rules.** The commission shall adopt rules to provide protections for ratepayers
15 over the term of the contracts entered into pursuant to this section. Rules adopted under
16 this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter
17 2-A.

18 **Sec. 3. Rules.** Within 6 months of the effective date of this Act, the Public Utilities
19 Commission shall adopt rules necessary to implement the Maine Revised Statutes, Title
20 35-A, section 3475.

21 SUMMARY

22 This bill requires the Public Utilities Commission to issue a request for proposals to
23 procure 35 megawatts of grid-scale solar electricity. This bill requires that one project be
24 10 megawatts in size and be located on a qualifying brownfields site, 3 projects be 5
25 megawatts in size and 5 projects be 2 megawatts in size. In addition to meeting other
26 requirements, an applicant for a grid-scale project must show that at least 51% of the
27 facility is owned locally in order to be eligible for a contract. The commission may direct
28 investor-owned transmission and distribution utilities to enter into contracts with a term
29 of 20 years for the energy and capacity of a project at a rate of \$0.067 per kilowatt-hour.
30 The bill directs the commission to adopt rules to implement the procurement process and
31 to ensure protections for ratepayers.