

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 597

S.P. 236

In Senate, March 1, 2021

An Act To Establish the Wood Energy Investment Program

Received by the Secretary of the Senate on February 25, 2021. Referred to the Committee on Energy, Utilities and Technology pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by President JACKSON of Aroostook.
Cosponsored by Representative DUNPHY of Old Town and
Senators: VITELLI of Sagadahoc, WOODSOME of York, Representatives: BERRY of
Bowdoinham, GROHOSKI of Ellsworth, STEARNS of Guilford, WADSWORTH of Hiram.

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

2 **Sec. 1. 35-A MRSA §3210, sub-§9**, as amended by PL 2019, c. 477, §1, is further
3 amended to read:

4 **9. Alternative compliance payment.** The commission shall allow competitive
5 electricity providers to satisfy the portfolio requirements for Class I resources under
6 subsection 3-A, Class IA resources under subsection 3-B and thermal renewable energy
7 credits under subsection 3-C through an alternative compliance payment mechanism in
8 accordance with this subsection.

9 A. The commission shall set the alternative compliance payment rate by rule, which
10 may not be greater than \$50, and shall publish the alternative compliance payment rate
11 by January 31st of each year. In setting the rate, the commission shall take into account
12 prevailing market prices, standard-offer service prices for electricity, reliance on
13 alternative compliance payments to meet the requirements of subsections 3-A, 3-B and
14 3-C and investment in Class I and Class IA resources and thermal renewable energy
15 credits in the State during the previous calendar year.

16 B. The commission shall collect alternative compliance payments to meet the
17 requirements of subsections 3-A and 3-B made by competitive electricity providers and
18 shall deposit all funds collected under this paragraph in the Energy Efficiency and
19 Renewable Resource Fund established under section 10121, subsection 2 to be used to
20 fund research, development and demonstration projects relating to renewable energy
21 technologies and to fund rebates for cost-effective renewable energy technologies.

22 C. The commission shall collect alternative compliance payments to meet the
23 requirements of subsection 3-C made by competitive electricity providers and shall
24 deposit all funds collected under this paragraph in the Wood Energy Investment Fund
25 established under section 10128, subsection 2 to be used to fund incentives and low-
26 interest or no-interest loans to businesses, municipalities, educational institutions and
27 nonprofit entities in the State for the installation of new wood-derived thermal energy
28 or cogeneration projects.

29 The commission shall adopt rules to implement this subsection. Rules adopted under this
30 subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

31 **Sec. 2. 35-A MRSA §10128** is enacted to read:

32 **§10128. Wood Energy Investment Program**

33 **1. Establishment; purpose.** The Wood Energy Investment Program is established
34 within the trust to provide incentives and low-interest or no-interest loans in consultation
35 with the Finance Authority of Maine, established in Title 10, chapter 110, in order to
36 strengthen the State's forest products industry and lower energy costs by increasing the
37 efficient use of wood for energy production.

38 **2. Wood Energy Investment Fund.** There is established in the custody of the trust a
39 special nonlapsing fund, to be known as the Wood Energy Investment Fund. The Wood
40 Energy Investment Fund consists of the following:

41 A. Sums the commission collects from alternative compliance payments made by
42 competitive electricity providers to satisfy the portfolio requirements for thermal
43 renewable energy credits established in section 3210, subsection 3-C;

