

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST SPECIAL SESSION-2021

Legislative Document

No. 1350

S.P. 432

In Senate, April 7, 2021

An Act To Expand Maine's Clean Energy Economy

Received by the Secretary of the Senate on April 5, 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 Senator VITELLI of Sagadahoc.
Cosponsored by Representative GROHOSKI of Ellsworth and
Senators: President JACKSON of Aroostook, LAWRENCE of York, STEWART of
Aroostook, Representatives: McCREIGHT of Harpswell, TEPLER of Topsham, TUCKER of
Brunswick.

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

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

4 **1. Competitive procurement.** The commission shall conduct 2 competitive
5 solicitations pursuant to paragraph A and 2 competitive solicitations pursuant to paragraph
6 B-1 in order to select Class IA resources for contracts under this section.

7 A. Through the competitive solicitations under this section described in subparagraphs
8 (1) and (2), the commission shall procure an amount of energy or renewable energy
9 credits from Class IA resources that is equal to 14% of retail electricity sales in this
10 State for the period from January 1, 2018 to December 31, 2018, as determined by the
11 commission.

12 (1) The commission shall initiate a first competitive solicitation under this
13 paragraph and ensure that solicitation results in the approval of contracts by
14 December 31, 2020 for energy or renewable energy credits equal to at least 7% of
15 retail electricity sales for the period from January 1, 2018 to December 31, 2018,
16 as determined by the commission. If the commission determines that contracts for
17 an amount greater than 7% of retail electricity sales will provide financial benefits
18 to ratepayers, it may approve contracts by December 31, 2020 for up to 10% of
19 retail electricity sales.

20 (2) No later than January 15, 2021, the commission shall initiate a 2nd competitive
21 solicitation under this paragraph for an amount of energy or renewable energy
22 credits equal to the difference between 14% of retail electricity sales and the
23 amount approved in contracts by December 31, 2020.

24 B. To the extent sufficient resources are available, with respect to the competitive
25 solicitations described in paragraph A, subparagraphs (1) and (2), 75% of the energy
26 or renewable energy credits contracted under this section pursuant to those competitive
27 solicitations must come from Class IA resources that begin commercial operations after
28 June 30, 2019 and 25% must come from Class IA resources that began commercial
29 operations on or prior to June 30, 2019.

30 B-1. Through the competitive solicitations described in subparagraphs (1) and (2), the
31 commission shall procure an amount of energy or renewable energy credits from Class
32 IA resources that is equal to 15% of retail electricity sales in this State for the period
33 from January 1, 2019 to December 31, 2019, as determined by the commission.

34 (1) The commission shall initiate a first competitive solicitation under this
35 paragraph and ensure that solicitation results in the approval of contracts by
36 December 31, 2021 for energy or renewable energy credits equal to at least 10%
37 of retail electricity sales for the period from January 1, 2019 to December 31, 2019,
38 as determined by the commission. If the commission determines that contracts for
39 an amount greater than 10% of retail electricity sales will provide financial benefits
40 to ratepayers, it may approve contracts by December 31, 2021 for up to 15% of
41 retail electricity sales.

42 (2) No later than January 15, 2022, the commission may initiate a 2nd competitive
43 solicitation under this paragraph for an amount of energy or renewable energy

1 credits equal to the difference between 15% of retail electricity sales and the
2 amount approved in contracts by December 31, 2021.

3 B-2. To the extent sufficient resources are available, with respect to the competitive
4 solicitations described in paragraph B-1, subparagraphs (1) and (2), 100% of the energy
5 or renewable energy credits contracted under this section pursuant to those competitive
6 solicitations must come from Class IA resources that begin commercial operations after
7 June 30, 2021.

8 B-3. In conducting a solicitation and selecting Class IA resources for contracts under
9 this section, the commission shall give special consideration to selection of projects in
10 economically depressed areas of the State as determined by the commission.

11 B-4. In conducting a solicitation and selecting Class IA resources for contracts under
12 this section, the commission shall give consideration to evidence of project viability,
13 including, but not limited to, the submission of a preapplication with the relevant siting
14 authority or the submission of an interconnection request with the New England
15 independent system operator.

16 C. In conducting a solicitation and selecting Class IA resources for contracts under
17 this section, the commission shall weigh the benefits to ratepayers and the benefits to
18 the State's economy as follows:

- 19 (1) A weight of 70% must be given to the benefits to ratepayers; and
20 (2) A weight of 30% must be given to benefits to the economy, which may include,
21 but are not limited to:
- 22 (a) Capital investments by the Class IA resource to improve long-term
23 viability of an existing facility;
 - 24 (b) Payments by the Class IA resource for the harvest of wood fuel;
 - 25 (c) Employment resulting from the Class IA resource;
 - 26 (d) Payments by the Class IA resource to a host community, whether or not
27 required by law or rule;
 - 28 (e) Excise, income, property and sales taxes paid by the Class IA resource;
 - 29 (f) Purchases of goods and services by the Class IA resource; and
 - 30 (g) Avoided emissions resulting from the operation of the Class IA resource.

31 D. The commission shall, in accordance with this paragraph, allow energy storage
32 systems to participate in solicitations or be awarded contracts under this section.

- 33 (1) The commission shall permit an energy storage system to bid on solicitations
34 or to be contracted under this section only if the energy storage system is connected
35 to the State's electricity grid, paired as a complementary resource with a Class IA
36 resource and either:
- 37 (a) Colocated with the Class IA resource, whether metered jointly with or
38 separately from the Class IA resource; or
 - 39 (b) Located at a different location from the Class IA resource and the
40 commission finds that inclusion of the energy storage system would result in a
41 reduction in greenhouse gas emissions.

1 (2) A bid under this section that includes an energy storage system must include 2
2 separate bid proposals, one with the energy storage system and one without. The
3 commission shall assess the bid proposals based on the benefits to ratepayers,
4 which may include, but are not limited to:

- 5 (a) Reduction in costs;
- 6 (b) Decrease in peak electricity demand;
- 7 (c) Deferral of investments in the transmission and distribution system;
- 8 (d) Deferral of capital investments in new generating capacity;
- 9 (e) Increase in the electricity grid's overall flexibility, reliability and resiliency;
- 10 and
- 11 (f) Reduction in greenhouse gas emissions.

12 (3) An energy storage system that is not colocated with a Class IA resource may
13 receive renewable energy credits only for stored energy generated from a Class IA
14 resource.

15 (4) If chosen for a contract under this section, an energy storage system must
16 remain stationary and under the same ownership throughout the contract term.

17 (5) The commission may permit an energy storage system to be paired with and
18 added to a Class IA resource after that resource has been awarded a contract.

19 For the purposes of this paragraph, "energy storage system" means a commercially
20 available technology that uses mechanical, chemical or thermal processes for absorbing
21 energy and storing it for a period of time for use at a later time.

22 **Sec. 2. 35-A MRSA §3210-G, sub-§4** is enacted to read:

23 **4. Rules.** The commission may adopt rules necessary for the implementation of this
24 section. Rules adopted by the commission may include, but are not limited to, provisions
25 stipulating the financial security mechanisms that will be required as a condition of the
26 selection of Class IA resources for contracts under this section. Rules adopted pursuant to
27 this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter
28 2-A.

29 SUMMARY

30 This bill amends the State's renewable portfolio standard procurement law to authorize
31 2 additional competitive solicitations by the Public Utilities Commission for contracts with
32 Class IA resources to procure, in total, an amount of energy or renewable energy credits
33 equal to 15% of retail electricity sales in the State during calendar year 2019. It requires
34 100% of the energy or renewable energy credits contracted following those additional
35 competitive solicitations to come from Class IA resources that begin commercial
36 operations after June 30, 2021.

37 The bill also amends the renewable portfolio standard procurement law to require the
38 Public Utilities Commission, in conducting the solicitation and selection of Class IA
39 resources for contracts, to give special consideration to selection of projects in
40 economically depressed areas of the State and to give consideration to evidence of project
41 viability. It also authorizes the Public Utilities Commission to adopt routine technical rules

1 necessary to implement the requirements of the renewable portfolio standard procurement
2 law, which may include provisions stipulating the financial security mechanisms that will
3 be required as a condition of the selection of Class IA resources for contracts under that
4 law.