

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST SPECIAL SESSION-2021

Legislative Document

No. 1435

H.P. 1051

House of Representatives, April 12, 2021

**An Act Regarding the Solicitation of Contracts for Distributed
Resources That Use Renewable Energy**

Received by the Clerk of the House on April 8, 2021. Referred to the Committee on Energy, Utilities and Technology pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

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

ROBERT B. HUNT
Clerk

Presented by Representative FOSTER of Dexter.

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 transmission
5 and distribution utility entered into under section 3210-C, 3210-H or ~~section~~ 3604.

6 **Sec. 2. 35-A MRSA §3210-H** is enacted to read:

7 **§3210-H. Long-term contracts**

8 The commission shall direct investor-owned transmission and distribution utilities to
9 enter into contracts for distributed resources pursuant to this section. For purposes of this
10 section, "distributed resource" means an electric generating facility that uses a renewable
11 fuel or technology under section 3210, subsection 2, paragraph B-3, regardless of the
12 facility's power production capacity, and is located in the service territory of a transmission
13 and distribution utility in the State.

14 **1. Solicitations.** By January 1, 2025, the commission shall select at least 2 competitive
15 solicitations timed to coordinate with other procurements undertaken by the commission.
16 Following a review of the bids received, the commission may negotiate with one or more
17 potential suppliers of distributed resources. If only one bid is offered, the commission shall
18 ensure that the negotiation with the bidder is based on a full project cost disclosure by the
19 potential supplier. The commissioner shall negotiate a contract of up to 100 megawatts in
20 capacity that is commercially reasonable and commits all parties to commercially
21 reasonable behavior. The commission may direct an investor-owned transmission and
22 distribution utility to enter into a contract of up to 375 megawatts if the aggregate of
23 projected costs of all contracts entered into under this section does not exceed the
24 commission's most recent best estimate of the aggregate of costs of long-term contracts
25 under section 3210-G. If the pricing of one or more competitive bids is equivalent, the
26 commission shall give preference to a project that:

27 A. Supports the rural economy of the State;

28 B. Offers a solution to the needs of the electric grid; or

29 C. Includes a program to assist low-income residents of the State to obtain the benefits
30 of renewable energy.

31 **2. Disposition of resources.** As directed by the commission pursuant to this section,
32 an investor-owned transmission and distribution utility shall sell distributed resource
33 capacity or energy purchased or take other action relative to distributed resource capacity
34 or energy.

35 **3. Cost and benefit recovery.** The commission shall ensure that all costs and direct
36 financial benefits associated with a contract entered into under this section are allocated to
37 ratepayers in accordance with section 3210-F. An amount charged to a ratepayer must
38 reflect any price differential that exists at any time during the term of the contract between
39 the contract price and the prevailing market price at which the distributed resource is sold
40 and any other differences from gains or losses derived from a contract.

41 **Sec. 3. 35-A MRSA c. 34-C,** as amended, is repealed.

SUMMARY

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This bill repeals provisions of law regarding distributed generation of electricity and directs the Public Utilities Commission by January 1, 2025 to solicit bids from suppliers of distributed resources of renewable fuel or technology regardless of power production capacity to enter into contracts with transmission and distribution utilities in whose service territory the suppliers are located. The Public Utility Commission is required to ensure that all costs and direct financial benefits associated with a contract are allocated to ratepayers and that the amount charged to a ratepayer reflects any price differential that exists at any time during the term of the contract between the contract price and the prevailing market price at which the distributed resource is sold and any other gains or losses derived from the contract.