

MAINE STATE LEGISLATURE

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(Filing No. S- ~~315~~)

ENERGY, UTILITIES AND TECHNOLOGY

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**STATE OF MAINE
SENATE
130TH LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 563, L.D. 1710, “An Act To Require Prompt and Effective Use of the Renewable Energy Resources of Northern Maine”

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. 35-A MRSA §3210-H is enacted to read:

§3210-H. Northern Maine Renewable Energy Development Program

1. Program established. The Northern Maine Renewable Energy Development Program, referred to in this section as "the program," is established to remove obstacles to the use of and to promote development of the substantial renewable energy resources in northern Maine. As used in this section, "northern Maine" means Aroostook County and any other area of the State in which the retail market is administered by the independent system administrator for northern Maine.

The commission shall administer the program in accordance with this section and shall ensure that such administration accounts for and is designed to advance the renewable energy and climate policies and goals of the State and to:

A. Encourage the rapid development of renewable resources in northern Maine to achieve greenhouse gas emissions reductions in the State and realize direct and near-term economic benefits in northern Maine;

B. Develop the transmission infrastructure necessary for the State to expeditiously meet its renewable energy and climate goals using, to the extent practicable, renewable energy resources located in the State;

C. Transition the State's mandated renewable energy purchasing through contracting approved and ordered by the commission in accordance with this section for the purchase of capacity, renewable energy and renewable energy credits, or any combination thereof, in a manner designed to most effectively account for the changing seasonal, time of day and other electricity usage characteristics associated with

COMMITTEE AMENDMENT

- 1 beneficial electrification as defined in section 10102, subsection 3-A over the duration
2 of such contracts;
- 3 D. Promote energy equity with particular consideration given to the economic
4 circumstances and opportunities in the State's socially vulnerable counties and
5 communities. For the purposes of this paragraph, "socially vulnerable counties and
6 communities" means those counties and communities in the State containing
7 populations that are disproportionately burdened by existing social inequities or lack
8 the capacity to withstand new or worsening burdens; and
- 9 E. Recognize that, in advancing the renewable energy and climate policies and goals
10 of the State, the near-term development of the transmission and other infrastructure
11 necessary to reduce greenhouse gas emissions is in the public interest.
- 12 **2. Request for proposals; generation connection line.** The commission shall issue
13 a request for proposals for the development and construction of a 345-kilovolt double
14 circuit generation connection line, or, in the commission's discretion, a transmission line or
15 lines of greater capacity, to connect renewable energy resources located in northern Maine
16 and developed pursuant to subsection 3 with the electric grid operated by the New England
17 independent system operator, referred to in this section as "the ISO-New England system."
- 18 A. The proposals must be required to cover a contract term of 30 years, except that the
19 commission may, in its discretion, approve a contract term of a different duration, and
20 must include provisions for the construction, development and subsequent commercial
21 operation of the line or lines described in this subsection.
- 22 B. The commission shall evaluate the proposals received based, at a minimum, on the
23 following factors: cost, economic benefit to northern Maine, the qualifications of the
24 bidder or bidders, the long-term viability of each proposal and the anticipated
25 contribution of each proposal toward the achievement by the State of its renewable
26 energy goals under section 3210. The commission shall disqualify any proposal that,
27 in the commission's determination, fails to demonstrate the bidder's technical and
28 financial capacity to successfully construct, develop and operate the line or lines
29 described in this subsection and to pursue, negotiate and contract for its interconnection
30 with the ISO-New England system.
- 31 C. The commission shall give preference to proposals that:
- 32 (1) In the commission's determination, demonstrate the most cost-effective and
33 efficient transmission access to renewable energy resources in northern Maine in a
34 manner that best supports the achievement of the State's renewable energy goals
35 under section 3210;
- 36 (2) Favor use, where practicable, of existing utility and other rights-of-way and
37 other existing transmission corridors in the construction of the line or lines
38 described in this subsection; and
- 39 (3) In the commission's determination, are likely to provide a reduction in
40 transmission costs and costs to ratepayers for electricity over time as more energy
41 is transmitted using the line or lines described in this subsection.
- 42 D. The commission may consider and, in accordance with the applicable provisions of
43 this subsection and subsection 3, select a proposal or proposals that include both the
44 development and construction of the line or lines described in this subsection and the

1 development and construction of one or more qualified renewable energy generation
2 projects described in subsection 3.

3 E. No later than May 1, 2022, the commission shall approve a contract or contracts
4 between one or more transmission and distribution utilities and the bidder of any
5 proposal selected by the commission in accordance with this subsection, except that, if
6 at the close of the competitive bidding process the commission determines that no
7 proposal meets the requirements of this subsection or that approval of a contract or
8 contracts that otherwise meet the requirements of this subsection is not in the public
9 interest, the commission may reopen a new competitive bidding process under this
10 subsection.

11 **3. Request for proposals; renewable energy generation projects.** The commission
12 shall issue a request for proposals for the development and construction of qualified
13 renewable energy generation projects in northern Maine designed to connect to and
14 transmit generated power using the line or lines to be constructed pursuant to subsection 2.
15 The commission shall make every effort to ensure that the competitive bidding process
16 directed by this subsection results in the approval of contracts pursuant to paragraph E no
17 later than September 1, 2022. As part of the request for proposals under this subsection,
18 the commission shall make available to potential bidders any relevant information
19 submitted to the commission by the bidder or bidders whose proposal or proposals were
20 approved for contracting under subsection 2. Except as provided in paragraph B,
21 subparagraph (2), renewable energy generation projects on which construction commenced
22 prior to September 30, 2022 are not qualified for the purposes of this subsection.

23 A. The proposals must be required to cover a contract term of 20 years, except that the
24 commission may, in its discretion, approve a contract term of a different duration, and
25 must include provisions for the construction, development and subsequent commercial
26 operation of one or more qualified renewable energy generation projects in northern
27 Maine that will be designed to connect to and transmit generated power using the line
28 or lines to be constructed pursuant to subsection 2. The commission may consider only
29 proposals for the construction of the following categories of qualified renewable
30 energy generation projects: solar arrays and installations; wind power installations;
31 geothermal installations; hydroelectric generation projects; battery energy storage
32 systems; and biomass generators fueled by wood or wood waste.

33 B. The commission may, in its discretion, consider and select in accordance with the
34 applicable requirements of this subsection:

35 (1) One or more contracts for capacity, renewable energy or renewable energy
36 credits, or any combination thereof, from a qualified renewable energy generation
37 project described in this subsection; or

38 (2) One or more contracts for renewable energy generation projects on which
39 construction commenced prior to September 30, 2022, if the commission
40 determines that:

41 (a) Such a project otherwise meets the requirements of this subsection;

42 (b) Additional line capacity remains available on the line or lines to be
43 constructed pursuant to subsection 2; and

- 1 (c) There are no commercially viable proposals remaining for consideration
2 for qualified renewable energy generation projects on which construction
3 commenced or will commence on or after September 30, 2022.
- 4 C. The commission shall evaluate the proposals received based, at a minimum, on the
5 following factors: cost, economic benefit to northern Maine, the qualifications of the
6 bidder or bidders and, as determined by the commission, the short-term, medium-term
7 and long-term viability of the proposals.
- 8 D. The commission shall give greatest preference to proposals that, in the
9 commission's determination, demonstrate the most cost-effective and efficient
10 development of renewable energy resources in northern Maine in a manner that best
11 supports the achievement of the State's renewable energy goals under section 3210.
- 12 E. The commission shall approve a contract or contracts between one or more investor-
13 owned transmission and distribution utilities and the bidder of any proposal selected
14 by the commission in accordance with this subsection. If at the close of the competitive
15 bidding process the commission determines that no proposal meets the requirements of
16 this subsection, that additional line capacity remains available or that approval of a
17 contract or contracts that otherwise meet the requirements of this subsection is not in
18 the public interest, the commission may reopen a new competitive bidding process
19 under this subsection.
- 20 F. In selecting contracts pursuant to this subsection, the commission shall make every
21 effort to ensure that at least one such contract supports the construction and
22 development in northern Maine of a biomass generator fueled by wood or wood waste.
23 In considering any proposal under this subsection for a qualified renewable energy
24 generation project that is a biomass generator fueled by wood or wood waste, the
25 commission shall consider the waste reduction benefits to the State's forest products
26 industry associated with the operation of the biomass generator, including, but not
27 limited to, the avoidance of methane emissions.
- 28 Notwithstanding any provision of law to the contrary, the commission may in its discretion
29 approve and order a contract or contracts under this subsection for the purchase, beginning
30 on or after January 1, 2024, of capacity, renewable energy or renewable energy credits, or
31 any combination thereof, in an amount that is at least 18% of and that may be up to 22% of
32 the retail electric load in the State for the period from January 1, 2019 to December 31,
33 2019. To the extent practicable, the commission shall approve and order such contract or
34 contracts on a staggered basis consistent with its expectations for the development during
35 the years of 2024 to 2045 of beneficial electrification as defined in section 10102,
36 subsection 3-A and climate mitigation activities in the State and shall ensure the purchase
37 of capacity, renewable energy or renewable energy credits necessary to achieve beneficial
38 electrification from facilities and technology that are located in the State.
- 39 **4. Regional electric grid integration and development.** In implementing and
40 administering the program under this section, the commission shall:
- 41 A. Make every effort to facilitate the construction and development of the line or lines
42 described in subsection 2, including, but not limited to, participating in any regional or
43 federal proceeding relating to the line or lines; and

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1 B. Participate in proceedings involving the inclusion or integration of the line or lines
2 described in subsection 2 and any associated upgrades by the New England power pool
3 as defined in section 4103, or its successor as approved by the Federal Energy
4 Regulatory Commission, and the ISO-New England system into the ISO-New England
5 system's transmission plan, bulk power system and pool transmission facilities, as that
6 term is defined in the ISO-New England system's open access transmission tariff.

7 Where authorized and as practicable, the Office of the Public Advocate may engage in the
8 activities and proceedings described in paragraph A or B.

9 The commission, the Office of the Public Advocate and the Office of the Attorney General
10 may, separately or in combination, obtain any technical or legal assistance necessary to
11 ensure regional and federal interconnection and grid reliability standards are not employed
12 directly or indirectly to discourage the development of the renewable energy resources in
13 northern Maine under the program.

14 **Sec. 2. Appropriations and allocations.** The following appropriations and
15 allocations are made.

16 **PUBLIC UTILITIES COMMISSION**

17 **Public Utilities - Administrative Division 0184**

18 Initiative: Provides funding for consulting services related to the administration of the
19 Northern Maine Renewable Energy Development Program.

20 OTHER SPECIAL REVENUE FUNDS	2021-22	2022-23
21 All Other	\$203,754	\$0
22		
23 OTHER SPECIAL REVENUE FUNDS TOTAL	\$203,754	\$0

24

25 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
26 number to read consecutively.

27 **SUMMARY**

28 This amendment makes the following changes to the bill.

29 1. It defines "northern Maine," as used in the bill, to mean Aroostook County and any
30 other area of the State in which the retail market is administered by the independent system
31 administrator for northern Maine.

32 2. It clarifies the scope of the Public Utilities Commission's administration of the
33 Northern Maine Renewable Energy Development Program established in the bill.

34 3. It clarifies the time frame for issuance of a request for proposals by the commission
35 for the construction of the transmission line or lines and renewable energy generation
36 projects under the bill as well as the time frame for approval of contracts for the
37 construction of the line or lines and those projects.

38 4. It requires the commission to give preference to any proposals for construction of
39 the transmission line or lines that are likely to provide a reduction in transmission costs and
40 costs to ratepayers for electricity over time as more energy is transmitted using the line or
41 lines.

1 5. It authorizes the commission to reject any proposal for the construction of the
2 transmission line or lines or a renewable energy generation project that otherwise meets all
3 applicable requirements but, as determined by the commission, is not in the public interest.

4 6. It provides that the commission may approve and order contracts for the purchase,
5 beginning on or after January 1, 2024, of capacity, renewable energy or renewable energy
6 credits, or any combination thereof, in an amount that is at least 18% of and that may be up
7 to 22% of the retail electric load in the State for the period from January 1, 2019 to
8 December 31, 2019. It also requires the commission, to the extent practicable, to approve
9 and order such contract or contracts necessary to achieve beneficial electrification in the
10 State from facilities and technology that are located in the State.

11 7. It clarifies the role of the Office of the Public Advocate in regional electric grid
12 integration and development activities and proceedings.

13 The amendment also adds an appropriations and allocations section.

14 **FISCAL NOTE REQUIRED**

15 **(See attached)**



130th MAINE LEGISLATURE

LD 1710

LR 1475(02)

An Act To Require Prompt and Effective Use of the Renewable Energy Resources of Northern Maine

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
Appropriations/Allocations				
Other Special Revenue Funds	\$203,754	\$0	\$0	\$0
Revenue				
Other Special Revenue Funds	\$203,754	\$0	\$0	\$0

Fiscal Detail and Notes

This bill establishes the Northern Maine Renewable Energy Development Program, to be administered by the Public Utilities Commission (PUC) to remove obstacles to the use of renewable resources in Northern Maine. The PUC has indicated that the development of this program would require the use of outside consultants. The bill includes a one-time allocation to the PUC of \$203,754 in fiscal year 2021-22 for contracted services. The PUC is funded by an assessment set to produce sufficient revenue for the expenditures allocated by the Legislature for operating the PUC. The increased allocations in this bill require a corresponding increase in revenue from the assessment on transmission and distribution utilities.