

MAINE STATE LEGISLATURE

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Date: 4/3/24

MAJORITY

ENERGY, UTILITIES AND TECHNOLOGY

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

131ST LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 799, L.D. 1963, "An Act Regarding the Future of Renewable Energy Transmission in Northern Maine"

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

Sec. 1. 12 MRSA §685-B, sub-§2-D is enacted to read:

2-D. Transmission line or lines under Northern Maine Renewable Energy Development Program. A transmission line or lines developed under the Northern Maine Renewable Energy Development Program pursuant to Title 35-A, section 3210-I, subsection 2 and proposed within unorganized or deorganized areas of the State is reviewed and permits are issued by the Department of Environmental Protection under Title 38, section 489-A-1.

Sec. 2. 35-A MRSA §3201, sub-§8-C is enacted to read:

8-C. Employer and employee harmony agreement. "Employer and employee harmony agreement" means an agreement between an employer and one or more labor organizations representing or seeking to represent the employer's employees that includes:

A. A guarantee against strikes, lockouts and similar disruptions;

B. Mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work and safety and health; and

C. Mutually binding procedures for resolving labor disputes.

Sec. 3. 35-A MRSA §3210-I, sub-§1, ¶B, as enacted by PL 2021, c. 380, §1 and reallocated by RR 2021, c. 1, Pt. A, §38, is amended to read:

B. Develop Plan for and 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;

Sec. 4. 35-A MRSA §3210-I, sub-§1, ¶D, as enacted by PL 2021, c. 380, §1 and reallocated by RR 2021, c. 1, Pt. A, §38, is amended to read:

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1 D. Promote energy equity, high-quality jobs and the development of a skilled
2 workforce, with particular consideration given to the economic circumstances and
3 opportunities in the State's socially vulnerable counties and communities. For the
4 purposes of this paragraph, "socially vulnerable counties and communities" means
5 those counties and communities in the State containing populations that are
6 disproportionately burdened by existing social inequities or lack the capacity to
7 withstand new or worsening burdens; and

8 **Sec. 5. 35-A MRSA §3210-I, sub-§1, ¶E**, as enacted by PL 2021, c. 380, §1 and
9 reallocated by RR 2021, c. 1, Pt. A, §38, is amended to read:

10 E. Recognize that, in advancing the renewable energy and climate policies and goals
11 of the State, the near-term development of the transmission and other infrastructure
12 necessary to reduce greenhouse gas emissions is in the public interest; and

13 **Sec. 6. 35-A MRSA §3210-I, sub-§1, ¶F** is enacted to read:

14 F. In collaboration with the Governor's Energy Office, established in Title 2, section
15 9, seek to partner with other states, governmental entities or utilities within New
16 England in the development of requests for proposals and the evaluation of proposals
17 received in response to a request for proposals for a transmission line or lines under
18 subsection 2 and renewable energy generation projects under subsection 3.

19 **Sec. 7. 35-A MRSA §3210-I, sub-§2**, as enacted by PL 2021, c. 380, §1 and
20 reallocated by RR 2021, c. 1, Pt. A, §38, is amended to read:

21 **2. Request for proposals; ~~generation connection~~ transmission line or lines.** The
22 commission shall issue a request for proposals for the development and construction of a
23 ~~345 kilovolt double circuit generation connection line, or, in the commission's discretion,~~
24 ~~a transmission line or lines of greater capacity, to connect~~ transmission line or lines
25 necessary to connect at least 1,200 megawatts of renewable energy resources located in
26 northern Maine and developed pursuant to subsection 3 with the electric grid operated by
27 the New England independent system operator, referred to in this section as "the ISO-New
28 England system." The commission may issue preliminary requests for information from
29 utilities and private developers or release draft requests for proposals or draft transmission
30 services agreements to gather information to inform the program.

31 A. The proposals must be required to cover a contract term of 30 years, except that the
32 commission may, in its discretion, approve a contract term of a different duration, and
33 must include provisions for the construction, development and subsequent commercial
34 operation of the transmission line or lines described in this subsection.

35 A-1. The commission may coordinate with other states, governmental entities or
36 utilities within New England in the development of a request for proposals pursuant to
37 this subsection and in the evaluation of proposals received in response to a request for
38 proposals. The commission shall allow the Governor's Energy Office and the Office of
39 the Public Advocate to review the proposals submitted pursuant to this subsection. The
40 Governor's Energy Office and the Office of the Public Advocate may provide input to
41 the commission upon review of the proposals, which may include an assessment as to
42 whether any proposals submitted are consistent with the goals of the program as
43 described in this section. If a proposal includes confidential or proprietary information,
44 trade secrets or similar matters as provided by the Maine Rules of Civil Procedure,

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Rule 26(c), the commission may issue appropriate protective orders in accordance with section 1311-A with respect to those portions of the proposal.

B. The commission shall evaluate the proposals received based, at a minimum, on the following factors: cost, economic benefit to northern Maine, the qualifications of the bidder or bidders, the long-term viability of each proposal and the anticipated contribution of each proposal toward the achievement by the State of its renewable energy goals under section 3210. The commission shall disqualify any proposal that, in the commission's determination, fails to demonstrate the bidder's technical and financial capacity to successfully construct, develop and operate the transmission line or lines described in this subsection and to pursue, negotiate and contract for its interconnection with the ISO-New England system.

B-1. The commission may consider proposals that include mechanisms to mitigate and allocate risks associated with development and operation of any transmission line or lines and renewable energy generation project under subsection 3 to be developed under the program.

C. The commission shall give preference to proposals that:

(1) In the commission's determination, in the aggregate with proposals received under subsection 3, demonstrate the most cost-effective and efficient transmission access to renewable energy resources in northern Maine in a manner that best supports the achievement of the State's renewable energy goals under section 3210 and that maximize benefits to the State;

(2) Favor Provide community engagement plans and favor use, where to the extent practicable, of existing utility and other rights-of-way and other existing transmission corridors in the construction of the transmission line or lines described in this subsection; and

(3) In the commission's determination, are likely to provide a reduction in transmission costs and costs to ratepayers for electricity over time as more energy is transmitted using the transmission line or lines described in this subsection;

(4) Adequately demonstrate project viability within a commercially reasonable time frame; and

(5) Maximize federal tax credits by including agreements described in 29 United States Code, Section 158(f) and by committing to entering into an employer and employee harmony agreement with a labor organization seeking to represent the transmission line or lines operations and maintenance workers. An employer and employee harmony agreement must bind all contractors and subcontractors, other than employees who work on a temporary basis for the employer, to the terms of the agreement. The agreement must be designed to ensure that all work on the transmission line or lines, including but not limited to work performed in the manufacturing, fabrication or maintenance of the transmission line or lines or operations associated with the transmission line or lines, is uninterrupted, prompt and safe.

D. The commission may consider and, in accordance with the applicable provisions of this subsection and subsection 3, select a proposal or proposals that include both the development and construction of the transmission line or lines described in this

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

D-1. The bidder that submits a proposal selected by the commission in accordance with this subsection must, upon the issuance by the commission of a certificate of public convenience and necessity in accordance with section 3132, be considered a transmission and distribution utility, except that the commission may limit the rights of the utility to the extent necessary to protect ratepayers from financial risks and such limitations must be specified in a contract executed pursuant to paragraph E.

E. ~~No later than November 1, 2022,~~ the The commission shall approve a contract or contracts between one or more transmission and distribution utilities and the bidder of any proposal selected by the commission in accordance with this subsection, except that, if at the close of the competitive bidding process the commission determines that no proposal meets the requirements of this subsection or that approval of a contract or contracts that otherwise meet the requirements of this subsection is not in the public interest, the commission may reject all proposals and may open a new competitive bidding process under this subsection.

Sec. 8. 35-A MRS A §3210-I, sub-§3, as enacted by PL 2021, c. 380, §1 and reallocated by RR 2021, c. 1, Pt. A, §38, is amended to read:

3. Request for proposals; renewable energy generation projects. The commission shall issue a request for proposals for the development and construction of qualified renewable energy generation projects in northern Maine designed to connect to and transmit generated power using the transmission line or lines to be constructed pursuant to subsection 2. The commission shall make every effort to ensure that the competitive bidding process directed by this subsection results in the approval of contracts pursuant to paragraph E ~~no later than November 1, 2022.~~ As part of the request for proposals under this subsection, the commission shall make available to potential bidders any relevant information submitted to the commission by the bidder or bidders whose proposal or proposals were approved for contracting under subsection 2. Except as provided in paragraph B, subparagraph (2), renewable energy generation projects on which construction commenced prior to ~~September 30, 2022~~ July 31, 2024 are not qualified for the purposes of this subsection.

A. The proposals must be required to cover a contract term of 20 years, except that the commission may, in its discretion, approve a contract term of a different duration, and must include provisions for the construction, development and subsequent commercial operation of one or more qualified renewable energy generation projects in northern Maine that will be designed to connect to and transmit generated power using the transmission line or lines to be constructed pursuant to subsection 2. The commission may consider only proposals for the construction of Class I and Class IA resources, as defined in section 3210, subsection 2, and energy storage systems, except that the commission may not consider proposals for the construction of biomass generators fueled by landfill gas or by anaerobic digestion of agricultural products, by-products or waste, or waste-to-energy generation facilities fueled by municipal solid waste. For the purposes of this section, "energy storage system" means a commercially available technology that uses mechanical, chemical or thermal processes for absorbing energy and storing it for a period of time for use at a later time.

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A-1. The commission may coordinate with other states, governmental entities or utilities within New England in the development of a request for proposals pursuant to this subsection and in the evaluation of proposals received in response to a request for proposals. The commission shall allow the Governor's Energy Office and the Office of the Public Advocate to review the proposals submitted pursuant to this subsection. The Governor's Energy Office and the Office of the Public Advocate may provide input to the commission upon review of the proposals, which may include an assessment as to whether any proposals submitted are consistent with the goals of the program as described in this section. If a proposal includes confidential or proprietary information, trade secrets or similar matters as provided by the Maine Rules of Civil Procedure, Rule 26(c), the commission may issue appropriate protective orders in accordance with section 1311-A with respect to those portions of the proposal.

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

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

(2) One or more contracts for renewable energy generation projects on which construction commenced prior to ~~September 30, 2022~~ July 31, 2024, if the commission determines that:

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

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

(c) There are no commercially viable proposals remaining for consideration for qualified renewable energy generation projects on which construction commenced or will commence on or after ~~September 30, 2022~~ July 31, 2024.

C. The commission shall evaluate the proposals received based, at a minimum, on the following factors: cost, economic benefit to northern Maine, the qualifications of the bidder or bidders and, as determined by the commission, the short-term, medium-term and long-term viability of the proposals.

C-1. The commission may consider proposals that include mechanisms to mitigate and allocate risks associated with development and operations of any transmission line or lines under subsection 2 and renewable energy generation project to be developed under the program.

~~D. The commission shall give greatest preference to proposals that, in the commission's determination, in the aggregate with proposals received under subsection 2, demonstrate the most cost-effective and efficient development of renewable energy resources in northern Maine in a manner that best supports the achievement of the State's renewable energy goals under section 3210 and maximize benefits to the State.;~~

(1) In the commission's determination, in the aggregate with proposals received under subsection 2, demonstrate the most cost-effective and efficient development of renewable energy resources in northern Maine in a manner that best supports

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the achievement of the State's renewable energy goals under section 3210 and maximize benefits to the State; and

(2) Maximize federal tax credits by including agreements described in 29 United States Code, Section 158(f) and by committing to entering into an employer and employee harmony agreement with a labor organization seeking to represent the project's operations and maintenance workers. An employer and employee harmony agreement must bind all contractors and subcontractors, other than employees who work on a temporary basis for the employer, to the terms of the agreement. The agreement must be designed to ensure that all work on the renewable energy generation project, including but not limited to work performed in the manufacturing, fabrication or maintenance of the project or operations associated with the project, is uninterrupted, prompt and safe.

E. The commission shall approve a contract or contracts between one or more investor-owned transmission and distribution utilities and the bidder of any proposal selected by the commission in accordance with this subsection. If at the close of the competitive bidding process the commission determines that no proposal meets the requirements of this subsection, that additional line capacity remains available or that approval of a contract or contracts that otherwise meet the requirements of this subsection is not in the public interest, the commission may reject all proposals and may open a new competitive bidding process under this subsection.

F. In selecting contracts pursuant to this subsection, the commission shall make every effort to ensure that at least one such contract supports the construction and development in northern Maine of a biomass generator fueled by wood or wood waste. In considering any proposal under this subsection for a qualified renewable energy generation project that is a biomass generator fueled by wood or wood waste, the commission shall consider the waste reduction benefits to the State's forest products industry associated with the operation of the biomass generator, including, but not limited to, the avoidance of methane emissions.

G. In selecting contracts pursuant to this subsection, the commission shall consider the effect of a contract or contracts selected on the viability of the transmission line or lines to be developed and constructed pursuant to subsection 2 and the effect on the success of the program.

Notwithstanding any provision of law to the contrary, the commission may in its discretion approve and order a contract or contracts under this subsection for the purchase, beginning on or after January 1, 2024, of capacity, renewable energy or renewable energy credits, or any combination thereof, in an amount that is at least 18% of the retail electric load in the State for the period from January 1, 2019 to December 31, 2019. To the extent practicable, the commission shall approve and order such contract or contracts on a staggered basis consistent with its expectations for the development during the years of 2024 to 2045 of beneficial electrification as defined in section 10102, subsection 3-A and climate mitigation activities in the State and shall ensure the purchase of capacity, renewable energy or renewable energy credits necessary to achieve beneficial electrification from facilities and technology that are located in the State.

Sec. 9. 35-A MRSA §3210-I, sub-§3-B is enacted to read:

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1 **3-B. Term sheet award; effect.** Notwithstanding any provision of law that requires
2 a developer of a proposed transmission line or lines under subsection 2 or a renewable
3 energy generation project under subsection 3 to demonstrate title, right or interest before a
4 permitting agency will accept and begin processing an application for any permit or
5 approval required for such a project, a term sheet awarded by the commission to a bidder
6 for such a project must be considered sufficient title, right or interest for the permitting
7 agency to accept and begin processing the application. Nothing in this subsection may be
8 construed to except a transmission line or lines or a renewable energy generation project
9 awarded a term sheet by the commission from any requirement for title, right or interest
10 necessary for the issuance of such a permit or approval or to deem such requirements for
11 title, right or interest satisfied by the award of a term sheet.

12 In an order awarding a term sheet to a bidder selected under subsection 2, the commission
13 shall provide an explanation of the commission's considerations and findings regarding the
14 costs and benefits associated with the development and construction of the transmission
15 line or lines.

16 **Sec. 10. 35-A MRSA §3210-I, sub-§5** is enacted to read:

17 **5. Public involvement and coordination.** The commission and the Department of
18 Environmental Protection shall ensure coordinated public notification and opportunities for
19 public participation, including explanation of all public participation procedures, in
20 connection with regulatory approvals and permitting under this Title and Title 38 for a
21 transmission line or lines and renewable energy generation projects under the program.

22 **Sec. 11. 38 MRSA §346, sub-§4**, as repealed and replaced by PL 2011, c. 420, Pt.
23 A, §34, is amended to read:

24 **4. Appeal of decision.** A judicial appeal of final action by the board or commissioner
25 regarding an application for an expedited wind energy development, as defined in Title
26 35-A, section 3451, subsection 4, an application for a transmission line or lines developed
27 pursuant to Title 35-A, section 3210-I, subsection 2 or a general permit pursuant to section
28 480-HH or section 636-A must be taken to the Supreme Judicial Court sitting as the Law
29 Court. The Law Court has exclusive jurisdiction over request for judicial review of final
30 action by the commissioner or the board regarding expedited wind energy developments,
31 an application for a transmission line or lines developed pursuant to Title 35-A, section
32 3210-I, subsection 2 or a general permit pursuant to section 480-HH or section 636-A.
33 These appeals to the Law Court must be taken in the manner provided in Title 5, chapter
34 375, subchapter 7 and the Maine Rules of Civil Procedure, Rule 80C.

35 **Sec. 12. 38 MRSA §485-A, sub-§1-D** is enacted to read:

36 **1-D. Hearing required; transmission line.** If an application for the development and
37 construction of a transmission line or lines requiring approval under this article is received
38 by the department, the department or the board, as applicable, shall hold a hearing in
39 accordance with section 486-A and may not issue an order without a hearing.

40 **Sec. 13. 38 MRSA §486-A, sub-§2-A** is enacted to read:

41 **2-A. Developer; route analysis; public participation.** The department shall require
42 an applicant who has submitted an application pursuant to section 485-A related to the
43 development and construction of a transmission line or lines requiring approval under this
44 article to demonstrate to the department that the applicant conducted one or more public

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1 meetings regarding the transmission line or lines prior to the submission of its application.
2 The public meetings must include the presentation of information regarding the proposed
3 transmission line or lines, including but not limited to proposed route information, and
4 provide an opportunity for public participation and comment. Information presented and
5 public comments received at the public meetings must be made publicly available and be
6 part of the record of any department or board proceeding.'

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

9 **SUMMARY**

10 This amendment, which is a majority report of the committee, replaces the bill, which
11 is a concept draft, and does the following.

12 1. It provides that a transmission line or lines developed under the Northern Maine
13 Renewable Energy Development Program pursuant to the Maine Revised Statutes, Title
14 35-A, section 3210-I, subsection 2 and proposed within the unorganized or deorganized
15 areas of the State is reviewed and permits are issued by the Department of Environmental
16 Protection.

17 2. It defines an "employer and employee harmony agreement" and provides that the
18 Public Utilities Commission must give preference to proposals for the development and
19 operation of a transmission line or lines or renewable generation projects under Title 35-A,
20 section 3210-I, that maximize federal tax credits by including agreements described in 29
21 United States Code, Section 158(f) and commit to entering into an employer and employee
22 harmony agreement with a labor organization seeking to represent workers on those
23 projects.

24 3. In administering the Northern Maine Renewable Energy Development Program
25 established by Title 35-A, section 3210-I, the amendment directs the commission, in
26 collaboration with the Governor's Energy Office, to seek to partner with other states,
27 governmental entities or utilities within New England.

28 4. It provides that the Public Utilities Commission's request for proposals under Title
29 35-A, section 3210-I, subsection 2 must be for the development and construction of a
30 transmission line or lines necessary to connect at least 1,200 megawatts of renewable
31 energy resources located in northern Maine, instead of for the development and
32 construction of a 345-kilovolt double circuit generation connection line, or, in the
33 commission's discretion, a transmission line or lines of greater capacity.

34 5. It allows the Public Utilities Commission to consider, under Title 35-A, section
35 3210-I, proposals for the development and construction of a transmission line or lines and
36 renewable energy generation projects that include mechanisms to mitigate and allocate
37 risks associated with development and operation of those projects.

38 6. It provides that the bidder that submits a proposal selected by the Public Utilities
39 Commission for the development and construction of a transmission line or lines, upon the
40 issuance by the commission of a certificate of public convenience and necessity, is
41 considered a transmission and distribution utility, except that the commission may limit the
42 rights of the utility to the extent necessary to protect ratepayers from financial risks.

43 7. It updates dates and terminology within Title 35-A, section 3210-I.

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2 8. It provides that a term sheet awarded by the Public Utilities Commission to a bidder
3 for the development and construction of a transmission line or lines and renewable energy
4 generation projects under the program established by Title 35-A, section 3210-I, must be
5 considered sufficient title, right or interest for a permitting agency to accept and begin
6 processing the application for the project. It also requires the commission, in an order
7 awarding a term sheet to a bidder selected for the development of a transmission line or
8 lines, to provide an explanation of the commission's considerations and findings regarding
9 the costs and benefits associated with the development and construction of the transmission
line or lines.

10 9. It requires the Public Utilities Commission and the Department of Environmental
11 Protection to ensure coordinated public notification and opportunities for public
12 participation, including explanation of all public participation procedures, in connection
13 with regulatory approvals and permitting under Title 35-A and Title 38 for a transmission
14 line or lines and renewable energy generation projects under the Northern Maine
15 Renewable Energy Development Program.

16 10. It provides that a judicial appeal of final action by the Board of Environmental
17 Protection or the Commissioner of Environmental Protection regarding an application for
18 a transmission line or lines developed pursuant to Title 35-A, section 3210-I, subsection 2,
19 must be taken to the Supreme Judicial Court sitting as the Law Court.

20 11. It requires the Board of Environmental Protection or the Department of
21 Environmental Protection, as applicable, to hold a hearing in accordance with Title 38,
22 section 486-A, and prohibits the issuance of an order without a hearing in connection with
23 an application for the development and construction of a transmission line or lines.

24 12. It requires the Department of Environmental Protection to require an applicant for
25 a permit under the site location of development laws for the development and construction
26 of a transmission line or lines to demonstrate to the department that the applicant conducted
27 one or more public meetings regarding the transmission line or lines prior to the submission
28 of its application.

29 **FISCAL NOTE REQUIRED**

30 (See attached)



131st MAINE LEGISLATURE

LD 1963

LR 481(02)

An Act Regarding the Future of Renewable Energy Transmission in Northern Maine

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-650)
Committee: Energy, Utilities and Technology
Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Public Utilities Commission, the Governor's Energy Office or the Department of Environmental Protection from the provisions of this bill are expected to be minor and can be absorbed within existing budgeted resources.