

MAINE STATE LEGISLATURE

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STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Philip L. Bartlett, II
CHAIRMAN

R. Bruce Williamson
Randall D. Davis
COMMISSIONERS

Harry Lanphear
ADMINISTRATIVE DIRECTOR

December 30, 2019

Honorable Mark W. Lawrence, Senate Chair
Honorable Seth A. Berry, House Chair
Energy, Utilities and Technology Committee
100 State House Station
Augusta, Maine 04333

Re: Annual Report on Long-term Contracts

Dear Senator Lawrence and Representative Berry:

During the 2017 session, the Legislature enacted An Act to Increase Investment and Regulatory Stability in the Electric Industry (Act).¹ Section 2 of the Act, now codified as 35-A M.R.S. § 3210-C(3), directs the Commission to submit a report to the Committee by January 1 of each year related to long-term contracts.

Attached is the Commission's report. If you have any questions, please do not hesitate to contact us.

Sincerely,

Philip L. Bartlett II, Chairman

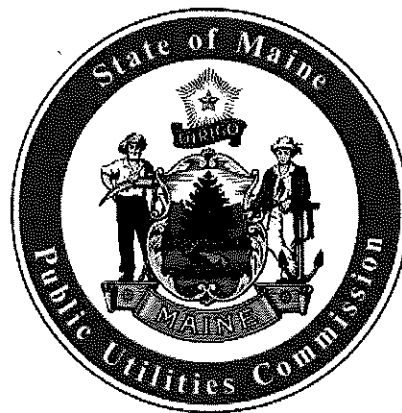
On behalf of the Chairman
R. Bruce Williamson, Commissioner
Randall D. Davis, Commissioner
Maine Public Utilities Commission

Attachment

cc: Energy, Utilities and Technology Committee Members
Lucia Nixon, Legislative Analyst

¹ Public Law 2017, c. 134.

MAINE PUBLIC UTILITIES COMMISSION
ANNUAL REPORT ON LONG-TERM CONTRACTS



**Presented to the
Joint Standing Committee on
Energy, Utilities and Technology
January 1, 2020**

I. INTRODUCTION

During its 2017 session, the Legislature enacted an Act to Increase Investment and Regulatory Stability in the Electric Industry (Act).¹ Section 2 of the Act, now codified at 35-A M.R.S. § 3210-C, sub-§3, provides in part that:

By January 1st of each year, the commission shall submit a report to the joint standing committee of the Legislature having jurisdiction over energy and utilities matters on the procurement of transmission capacity, capacity resources, energy and renewable energy credits in the preceding 12 months under this subsection, the Community-based Renewable Energy Act and deep-water offshore wind energy pilot projects under Public Law 2009, chapter 615, Part A, section 6, as amended by Public Law 2013, chapter 369, Part H, sections 1 and 2 and chapter 378, sections 4 to 6. The report must contain information including, but not limited to, the number of requests for proposals by the commission for long-term contracts, the number of responses to requests for proposals pursuant to which a contract has been finalized, the number of executed term sheets or contracts resulting from the requests for proposals, the commission's initial estimates of ratepayer costs or savings associated with any approved term sheet, actual ratepayer costs or savings for the previous year associated with any procurement, the total ratepayer costs or savings at the time of the report and the megawatt-hours, renewable energy credits or capacity produced or procured through contracts. The report must also include a plan for the succeeding 12 months pertaining to the procurement of capacity resources, energy and renewable energy credits, including dates for requests for proposals, and types of resources to be procured.

The Commission hereby submits its annual report to the Energy, Utilities and Technology Committee regarding long-term contracts.

II. COMPETITIVE SOLICITATIONS DURING 2019

A. Competitive Solicitations pursuant to 35-A M.R.S. §3210-C

On July 24, 2018, the Commission issued a Request for Proposals for Long-term Contracts for Capacity Resources and Associated Energy (2018 RFP). The Commission received multiple proposals and approved two long-term contracts resulting from the 2018 RFP. By Orders dated February 26, 2019 and March 12, 2019², the Commission approved a term sheet for a generation project by Three Rivers Solar

¹ P.L. 2017, c. 134.

² *MPUC Request For Proposals of Long-Term Contracts under 35-A M.R.S. 3210-C Pertaining to Central Maine Power and Emera Maine*, Docket No. 2019-00137, Order Approving Term Sheet (Part I) (Feb. 26, 2019) and *MPUC Request For Proposals of Long-Term Contracts under 35-A M.R.S. 3210-C Pertaining to Central Maine Power and Emera Maine*, Docket No. 2019-00137, Order Approving Term Sheet (Part II) (March 12, 2019).

Power, LLC (Three Rivers Solar). Three Rivers Solar is a Delaware LLC and a subsidiary of Swift Current Energy. The project is a ground-mounted solar photovoltaic project with nameplate capacity of up to 100 MW_{AC} to be located in Hancock County, Maine. The term sheet provided for an expected commercial operation date of no later than December 31, 2021. By Commission Order dated June 11, 2019³, the Commission approved the contract between Three Rivers Solar and Emera Maine which allowed the project to go into commercial operation as late as December 31, 2023.

By Order issued July 15, 2019⁴, the Commission approved a term sheet for a generation project by Weaver Wind LLC (Weaver Wind) and its parent company, Longroad Development Partners, LLC. The project is a 72.6 MW wind facility near the Town of Eastbrook in Hancock County, Maine and the anticipated commercial operation date is December 20, 2020. By Commission Order dated August 13, 2019⁵, the Commission approved the contract between Weaver Wind and Emera Maine. The Commission rejected all other proposals submitted in response to the 2018 RFP.

The Commission did not conduct any additional competitive solicitations during 2019 and has not announced any solicitations pursuant to Section 3210-C during 2020.

B. Competitive Solicitations pursuant to the Community-Based Renewable Energy Pilot Program

During 2019, the Commission did not conduct any competitive solicitations for the Community-Based Renewable Energy Pilot Program. The Commission's authority to award contracts governed by this program expired on December 31, 2015. Accordingly, no future solicitations are planned.

C. Competitive Solicitations Pursuant to the Deep-water Offshore Wind Energy Pilot Program

By Commission Order issued November 6, 2019, the Commission approved the long-term contract for capacity and associated energy between Maine Aqua Ventus I GP, LLC (MAV) and Central Maine Power Company (CMP), as required by recently enacted legislation.⁶ The project is a floating wind demonstration project which includes up to two floating wind turbines located in the Gulf of Maine in State waters at a location approximately

³ *MPUC Request For Proposals of Long-Term Contracts under 35-A M.R.S. 3210-C Pertaining to Central Maine Power and Emera Maine*, Docket No. 2019-00137, Order Approving Contract (June 11, 2019).

⁴ *MPUC Request For Proposals of Long-Term Contracts under 35-A M.R.S. 3210-C Pertaining to Central Maine Power and Emera Maine*, Docket No. 2019-00137, Order Approving Term Sheet (July 15, 2019).

⁵ *MPUC Request For Proposals of Long-Term Contracts under 35-A M.R.S. 3210-C Pertaining to Central Maine Power and Emera Maine*, Docket No. 2019-00137, Order Approving Contract (August 13, 2019).

⁶ *MPUC Ocean Energy Long-term Contracting*, Docket No. 2010-00235, Order Approving Contract (Nov. 6, 2019).

2.5 miles off the southern coast of Monhegan Island and approximately 12 miles off the coast of the mainland in the University of Maine Offshore Wind Test Site.

The Commission did not conduct any competitive solicitations in 2019. The Commission no longer has the authority to award additional contracts governed by this program. Accordingly, no future solicitations are planned.

III. RATEPAYER COSTS OR SAVINGS ASSOCIATED WITH PRIOR SOLICITATIONS

The Commission's Annual Report on Long-Term Contracts dated January 1, 2018 included extensive information on the contracts that have been authorized or executed and the historical cost or benefit to ratepayers of contracts authorized pursuant to Section 3210-C, the Community Based Renewable Energy Pilot Program and the Offshore Wind Pilot Program. The attached Appendix 1 provides the MWh generation, contract costs and revenues through November 2019 for each contract facility that has reached commercial operations. As shown, the 2019 above market costs for these contracts through November totals approximately \$14.7 million.

**Long-Term Contract Summary
January-November 2019**

Appendix 1

Community Based Program

		Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	YTD Nov 2019	Total	
CMP	Athens Energy	MWh	5,349	4,419	5,253	3,320	4,620	5,088	5,052	5,277	5,100	4,899	5,154	53,532	\$ (14,672,002.49)
		Contract Payments	\$ 529,513	\$ 437,456	\$ 520,050	\$ 328,710	\$ 457,409	\$ 466,872	\$ 463,225	\$ 485,568	\$ 468,015	\$ 448,108	\$ 510,275	\$ 5,115,201	
		Entitlement Revenue	\$ 241,864	\$ 159,268	\$ 193,447	\$ 93,883	\$ 100,511	\$ 98,830	\$ 144,979	\$ 126,834	\$ 103,098	\$ 100,300	\$ 174,565	\$ 1,537,580	
		Net Ratepayer (Cost)/Benefit	\$ (287,649)	\$ (278,188)	\$ (326,603)	\$ (234,827)	\$ (356,898)	\$ (368,042)	\$ (316,246)	\$ (358,734)	\$ (364,916)	\$ (347,808)	\$ (335,710)	\$ (3,577,621)	
CMP	Georges River	MWh	538	338	500	3,245	3,798	4,226	4,224	3,823	3,564	3,533	4,589	32,400	
		Contract Payments	\$ 45,484	\$ 41,315	\$ 49,547	\$ 321,289	\$ 378,033	\$ 418,365	\$ 418,155	\$ 378,503	\$ 354,845	\$ 349,779	\$ 454,323	\$ 3,207,618	
		Entitlement Revenue	\$ 49,648	\$ 23,837	\$ (3,081)	\$ 85,384	\$ 92,062	\$ 84,428	\$ 119,741	\$ 92,256	\$ 78,312	\$ 71,444	\$ 170,056	\$ 871,067	
		Net Ratepayer (Cost)/Benefit	\$ 1,164	\$ (17,478)	\$ (52,628)	\$ (225,905)	\$ (283,971)	\$ (333,937)	\$ (298,414)	\$ (286,247)	\$ (276,533)	\$ (278,335)	\$ (284,267)	\$ (2,336,551)	
CMP	Goose River Hydro	MWh	9	-	-	-	-	-	-	-	-	-	-	9	
		Contract Payments	\$ 917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 917	
		Entitlement Revenue	\$ 384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 384	
		Net Ratepayer (Cost)/Benefit	\$ (533)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (533)	
CMP	Pittsfield Solar	MWh	555	950	1,581	1,425	1,564	1,718	2,182	1,845	1,594	922	869	15,205	
		Contract Payments	\$ 46,881	\$ 80,255	\$ 133,801	\$ 120,401	\$ 132,167	\$ 145,146	\$ 184,385	\$ 155,892	\$ 134,722	\$ 77,912	\$ 73,433	\$ 1,284,795	
		Entitlement Revenue	\$ 24,466	\$ 26,153	\$ 45,516	\$ 30,077	\$ 37,337	\$ 36,921	\$ 62,691	\$ 46,040	\$ 32,026	\$ 17,856	\$ 22,280	\$ 381,363	
		Net Ratepayer (Cost)/Benefit	\$ (22,415)	\$ (54,102)	\$ (88,085)	\$ (90,324)	\$ (94,830)	\$ (108,225)	\$ (121,694)	\$ (109,852)	\$ (102,696)	\$ (60,056)	\$ (51,153)	\$ (903,432)	
Emera Maine	Pisgah Mountain	MWh	3,510	3,489	3,290	3,266	1,934	1,761	1,488	1,482	2,084	2,426	2,917	27,648	
		Contract Payments	\$ 326,461	\$ 324,486	\$ 305,940	\$ 303,716	\$ 179,857	\$ 163,773	\$ 138,410	\$ 137,867	\$ 193,830	\$ 225,856	\$ 271,310	\$ 2,571,308	
		Entitlement Revenue	\$ 159,170	\$ 121,099	\$ 103,571	\$ 68,844	\$ 38,601	\$ 28,038	\$ 38,158	\$ 31,159	\$ 36,773	\$ 48,435	\$ 73,426	\$ 747,275	
		Net Ratepayer (Cost)/Benefit	\$ (167,291)	\$ (203,387)	\$ (202,369)	\$ (234,872)	\$ (141,256)	\$ (135,735)	\$ (100,252)	\$ (106,708)	\$ (157,058)	\$ (177,221)	\$ (197,885)	\$ (1,824,031)	
Emera Maine	Exeter Agri-Energy	MWh	979	989	1,104	1,165	1,411	1,278	1,324	1,278	1,043	1,321	1,433	13,324	
		Contract Payments	\$ 93,570	\$ 93,810	\$ 104,655	\$ 109,483	\$ 130,707	\$ 119,148	\$ 123,175	\$ 119,517	\$ 99,124	\$ 123,128	\$ 132,152	\$ 1,248,469	
		Entitlement Revenue	\$ 43,534	\$ 35,097	\$ 38,887	\$ 28,813	\$ 31,832	\$ 25,460	\$ 36,520	\$ 30,159	\$ 20,168	\$ 26,148	\$ 40,139	\$ 356,846	
		Net Ratepayer (Cost)/Benefit	\$ (50,036)	\$ (58,723)	\$ (65,669)	\$ (80,670)	\$ (98,876)	\$ (93,688)	\$ (86,655)	\$ (89,358)	\$ (78,956)	\$ (96,980)	\$ (92,013)	\$ (891,623)	
35-A M.R.S. §3210-C															
CMP	Rollins Wind	MWh	13,429,365	13,630,566	12,862,723	13,706,146	7,038,964	6,731,100	5,523,388	4,061,614	7,744,853	9,156,315	9,233,275	103,115,319	
		Contract Payments	\$ 828,889	\$ 768,464	\$ 716,957	\$ 763,861	\$ 350,312	\$ 331,348	\$ 260,435	\$ 107,783	\$ 464,804	\$ 490,868	\$ 498,904	\$ 5,582,425	
		Entitlement Revenue	\$ 323,779	\$ 149,185	\$ 293,298	\$ 75,734	\$ 79,577	\$ 30,259	\$ 150,459	\$ 95,980	\$ 82,053	\$ 147,565	\$ 75,985	\$ 1,503,874	
		Net Ratepayer (Cost)/Benefit	\$ (505,110)	\$ (619,279)	\$ (423,659)	\$ (688,127)	\$ (270,735)	\$ (301,089)	\$ (109,976)	\$ (11,803)	\$ (382,551)	\$ (343,303)	\$ (422,919)	\$ (4,078,551)	
Emera Maine	Rollins Wind	MWh	3,401	3,448	3,189	3,025	1,724	1,386	1,424	1,146	1,854	2,265	2,788	25,661	
		Contract Payments	\$ 209,854	\$ 194,921	\$ 190,447	\$ 178,810	\$ 85,418	\$ 77,124	\$ 69,274	\$ 51,809	\$ 95,472	\$ 121,220	\$ 154,975	\$ 1,429,324	
		Entitlement Revenue	\$ 90,600	\$ 32,275	\$ 65,828	\$ 16,035	\$ 24,045	\$ 12,245	\$ 29,888	\$ 23,523	\$ 24,208	\$ 32,358	\$ 18,858	\$ 369,664	
		Net Ratepayer (Cost)/Benefit	\$ (119,254)	\$ (162,646)	\$ (124,619)	\$ (162,775)	\$ (61,373)	\$ (64,879)	\$ (39,586)	\$ (28,286)	\$ (71,264)	\$ (88,862)	\$ (136,117)	\$ (1,059,660)	
Offshore Wind Pilot Program															
Emera Maine	ORPC	MWh	-	-	-	-	-	-	-	-	-	-	-	-	
		Contract Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Entitlement Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Net Ratepayer (Cost)/Benefit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Note: Includes facilities which have reached commercial operations