

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

January 4, 2021

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 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,

A handwritten signature in black ink, appearing to be 'P. Bartlett II'.

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, 2021**

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 2020

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

The Commission did not conduct a competitive solicitation pursuant to Section 3210-C during 2020.² The Commission did approve non-substantive amendments to a set of Power Purchase Agreements that were awarded in a prior 3210-C solicitation. The Commission has not determined whether it will conduct a Section 3210-C solicitation during 2021.

¹ P.L. 2017, c. 134.

² During 2020, the Commission did conduct a long-term contract solicitation as required by Section 3210-G of the Title 35-A. As specified in statute, the Commission will conduct a second Section 3210-G long-term contract solicitation during 2021.

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

During 2020, 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

The Commission did not conduct any competitive solicitations pursuant to deep-water offshore wind energy program during 2020. 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. <https://www.maine.gov/mpuc/legislative/archive/2017-2018ReportstoLegislature.shtml>

This Report provides updated information regarding the MWh generation, contract costs and wholesale market revenues for each contract facility that has reached commercial operations. As shown in Appendix 1, the above-market costs, i.e., contract costs net of wholesale market revenue, for these contracts for the 12-month period ended November 2020 totals approximately \$ 21.8 million.

**Long-Term Contract Summary
December 2019-November 2020**

Appendix 1

			Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	12-Months Ended Nov 2020	
Community Based Program																
CMP	Athens Energy Biomass	MWh	4,969	5,220	4,868	5,180	4,625	4,460	5,078	4,887	5,254	4,930	4,055	5,067	58,594.13	
		Contract Payments	\$ 418,174	\$ 516,794	\$ 481,906	\$ 516,794	\$ 481,906	\$ 512,839	\$ 457,838	\$ 441,574	\$ 502,741	\$ 483,854	\$ 520,125	\$ 488,071	\$ 401,457	
		Entitlement Revenue	\$ 210,818	\$ 115,902	\$ 93,546	\$ 83,679	\$ 79,217	\$ 70,186	\$ 109,170	\$ 109,480	\$ 124,462	\$ 94,972	\$ 109,012	\$ 127,611	\$ 1,328,053	
		Net Ratepayer (Cost)/Benefit	\$ (207,356)	\$ (400,892)	\$ (388,360)	\$ (433,115)	\$ (402,689)	\$ (442,653)	\$ (348,668)	\$ (332,094)	\$ (378,279)	\$ (388,882)	\$ (411,113)	\$ (360,460)	\$ (4,494,563)	
CMP	Georges River Biomass	MWh	3,483	4,534	4,379	2,875	4,241	5,040	4,227	5,138	5,063	4,844	3,363	4,471	51,660	
		Contract Payments	\$ 344,834	\$ 448,837	\$ 433,561	\$ 284,652	\$ 419,880	\$ 498,990	\$ 418,485	\$ 508,684	\$ 501,239	\$ 479,605	\$ 332,926	\$ 442,642	\$ 5,114,335	
		Entitlement Revenue	\$ 163,253	\$ 101,734	\$ 84,321	\$ 48,846	\$ 79,006	\$ 82,243	\$ 96,976	\$ 116,556	\$ 122,130	\$ 97,962	\$ 80,693	\$ 107,199	\$ 1,180,919	
		Net Ratepayer (Cost)/Benefit	\$ (181,581)	\$ (347,103)	\$ (349,240)	\$ (235,806)	\$ (340,874)	\$ (416,747)	\$ (321,509)	\$ (392,128)	\$ (379,109)	\$ (381,643)	\$ (252,233)	\$ (335,443)	\$ (3,933,416)	
CMP	Goose River Hydro Hydro	MWh	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Contract Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Entitlement Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Net Ratepayer (Cost)/Benefit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
CMP	Pittsfield Solar Solar PV	MWh	612	459	1,055	1,472	1,775	1,893	1,539	1,680	1,832	1,655	1,071	864	15,908	
		Contract Payments	\$ 51,729	\$ 38,823	\$ 89,125	\$ 124,353	\$ 150,028	\$ 160,000	\$ 130,059	\$ 141,937	\$ 154,784	\$ 139,876	\$ 90,526	\$ 73,011	\$ 1,344,251	
		Entitlement Revenue	\$ 17,339	\$ 6,866	\$ 19,852	\$ 22,782	\$ 26,511	\$ 30,321	\$ 36,510	\$ 37,671	\$ 46,820	\$ 35,208	\$ 24,106	\$ 17,218	\$ 318,203	
		Net Ratepayer (Cost)/Benefit	\$ (34,390)	\$ (31,957)	\$ (69,273)	\$ (101,571)	\$ (123,517)	\$ (129,679)	\$ (96,549)	\$ (104,266)	\$ (107,964)	\$ (104,668)	\$ (66,420)	\$ (55,793)	\$ (1,026,048)	
Versant Power	Pisgah Mountain Wind	MWh	3,220	5,965	5,895	6,372	6,375	5,008	3,415	2,848	3,395	4,340	4,916	5,706	57,456	
		Contract Payments	\$ 228,260	\$ 554,721	\$ 548,225	\$ 592,602	\$ 592,894	\$ 465,745	\$ 317,634	\$ 264,873	\$ 315,776	\$ 403,611	\$ 457,161	\$ 530,667	\$ 5,272,167	
		Entitlement Revenue	\$ 125,714	\$ 59,890	\$ 47,085	\$ 48,277	\$ 49,414	\$ 39,122	\$ 32,665	\$ 29,112	\$ 38,497	\$ 41,725	\$ 49,987	\$ 64,673	\$ 626,161	
		Net Ratepayer (Cost)/Benefit	\$ (102,546)	\$ (494,831)	\$ (501,139)	\$ (544,325)	\$ (543,479)	\$ (426,623)	\$ (284,968)	\$ (235,761)	\$ (277,279)	\$ (361,887)	\$ (407,174)	\$ (465,995)	\$ (4,646,006)	
Versant Power	Exeter Agri-Energy Anaerobic digester	MWh	1,229	950	963	1,208	873	898	731	773	819	1,025	1,266	1,114	11,850	
		Contract Payments	\$ 90,957	\$ 90,957	\$ 91,425	\$ 113,505	\$ 82,758	\$ 86,669	\$ 71,387	\$ 75,247	\$ 78,782	\$ 97,568	\$ 118,409	\$ 105,258	\$ 1,102,921	
		Entitlement Revenue	\$ 45,595	\$ 24,518	\$ 19,480	\$ 19,842	\$ 15,316	\$ 12,773	\$ 15,296	\$ 16,750	\$ 19,564	\$ 21,589	\$ 32,587	\$ 26,726	\$ 270,034	
		Net Ratepayer (Cost)/Benefit	\$ (45,362)	\$ (66,439)	\$ (71,945)	\$ (93,663)	\$ (67,441)	\$ (73,896)	\$ (56,091)	\$ (58,497)	\$ (59,218)	\$ (75,979)	\$ (85,822)	\$ (78,532)	\$ (832,887)	
35-A M.R.S. §3210-C																
CMP	Rollins Wind Wind	MWh	15,935	9,223	9,980	11,292	14,252	11,287	7,673	5,270	7,431	9,687	10,071	11,315	123,416	
		Contract Payments	\$ 971,106	\$ 495,251	\$ 542,776	\$ 625,399	\$ 811,912	\$ 641,896	\$ 420,588	\$ 253,261	\$ 400,840	\$ 544,451	\$ 568,632	\$ 650,949	\$ 6,927,061	
		Entitlement Revenue	\$ 77,126	\$ (34,168)	\$ 19,938	\$ 135,260	\$ 8,236	\$ 53,821	\$ 139,435	\$ 196,534	\$ 204,760	\$ 228,383	\$ 247,738	\$ 291,588	\$ 1,568,651	
		Net Ratepayer (Cost)/Benefit	\$ (893,980)	\$ (529,419)	\$ (522,838)	\$ (490,139)	\$ (803,676)	\$ (588,075)	\$ (281,153)	\$ (56,727)	\$ (196,080)	\$ (316,068)	\$ (320,894)	\$ (359,361)	\$ (5,358,410)	
Versant Power	Rollins Wind Wind	MWh	3,537	5,707	5,964	6,082	6,472	4,829	3,043	2,671	3,031	4,187	4,754	5,354	55,633	
		Contract Payments	\$ 214,677	\$ 123,851	\$ 137,067	\$ 167,803	\$ 195,679	\$ 176,056	\$ 85,125	\$ 61,840	\$ 101,865	\$ 140,955	\$ 144,953	\$ 184,582	\$ 1,734,451	
		Entitlement Revenue	\$ 5,423	\$ (3,278)	\$ (819)	\$ 18,648	\$ (19,493)	\$ (16,183)	\$ 25,767	\$ 25,688	\$ 32,308	\$ 37,784	\$ 43,522	\$ 45,358	\$ 194,724	
		Net Ratepayer (Cost)/Benefit	\$ (209,254)	\$ (127,129)	\$ (137,886)	\$ (149,155)	\$ (215,172)	\$ (192,238)	\$ (59,358)	\$ (36,153)	\$ (69,556)	\$ (103,171)	\$ (101,431)	\$ (139,223)	\$ (1,539,727)	
Versant Power	Weaver Wind Wind	MWh	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Contract Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Entitlement Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Net Ratepayer (Cost)/Benefit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Offshore Wind Pilot Program																
Versant Power	ORPC Tidal	MWh	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Contract Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Entitlement Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Net Ratepayer (Cost)/Benefit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total All Contracts			Net Ratepayer (Cost)/Benefit	\$ (1,674,469)	\$ (1,997,770)	\$ (2,040,681)	\$ (2,047,775)	\$ (2,496,850)	\$ (2,269,911)	\$ (1,448,297)	\$ (1,215,625)	\$ (1,467,485)	\$ (1,732,298)	\$ (1,645,088)	\$ (1,794,807)	\$ (21,831,056)

Note: Rollins Wind contract payments shown net of capacity credit.
Note: Includes only facilities which have reached commercial operations