

MAINE STATE LEGISLATURE

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MAINE PUBLIC UTILITIES COMMISSION

ANNUAL REPORT ON LONG-TERM CONTRACTS



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

January 19, 2022

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 2021.² The Commission did approve non-substantive amendments to a set of Power Purchase Agreements that were awarded in a prior 3210-C solicitation.

¹ P.L. 2017, c. 134.

² During 2021, the Commission did conduct a long-term contract solicitation as required by Section 3210-G of the Title 35-A. The results of this procurement are detailed on the Commission's website: <https://www.maine.gov/mpuc/regulated-utilities/electricity/rfp-awarded-contracts/class1a2021>

The Commission has not determined whether it will conduct a Section 3210-C solicitation during 2022.

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

During 2021, 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 2021. 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.³

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 December 2021 totals approximately \$16.3 million.

³ <https://www.maine.gov/mpuc/legislative/archive/2017-2018ReportstoLegislature.shtml>

Long-Term Contract Summary
January 2021-December 2021

Appendix 1

			Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Full Year 2021	
Community Based Program																
CMP	Athens Energy Biomass	MWh	5,264	4,498	3,586	5,109	5,261	4,710	5,280	5,256	5,086	4,529	5,030	5,210	58,821	
		Contract Payments	\$ 521,150	\$ 445,290	\$ 355,056	\$ 505,831	\$ 520,814	\$ 466,322	\$ 522,742	\$ 520,352	\$ 503,562	\$ 448,347	\$ 497,935	\$ 515,828	\$ 515,828	5,823,229
		Entitlement Revenue	\$ 197,024	\$ 361,779	\$ 76,315	\$ 122,001	\$ 121,320	\$ 137,800	\$ 206,799	\$ 256,883	\$ 220,276	\$ 232,878	\$ 278,590	\$ 336,069	\$ 336,069	2,547,734
		Net Ratepayer (Cost)/Benefit	\$ (324,126)	\$ (83,511)	\$ (278,741)	\$ (383,830)	\$ (399,494)	\$ (328,522)	\$ (315,943)	\$ (263,469)	\$ (283,286)	\$ (215,469)	\$ (219,345)	\$ (179,759)	\$ (179,759)	\$ (3,275,495)
CMP	Georges River Biomass	MWh	4,843	3,218	3,391	3,813	4,944	4,607	4,570	4,606	2,825	3,112	4,397	4,007	48,334	
		Contract Payments	\$ 479,498	\$ 318,581	\$ 335,668	\$ 377,446	\$ 489,476	\$ 456,132	\$ 452,469	\$ 455,983	\$ 279,704	\$ 308,065	\$ 435,321	\$ 396,675	\$ 435,321	4,785,018
		Entitlement Revenue	\$ 188,277	\$ 253,180	\$ 106,761	\$ 94,919	\$ 125,394	\$ 143,806	\$ 182,573	\$ 227,380	\$ 105,475	\$ 175,782	\$ 250,208	\$ 272,085	\$ 272,085	2,125,840
		Net Ratepayer (Cost)/Benefit	\$ (291,221)	\$ (65,401)	\$ (228,907)	\$ (282,527)	\$ (364,082)	\$ (312,326)	\$ (269,896)	\$ (228,603)	\$ (174,229)	\$ (132,283)	\$ (185,113)	\$ (124,590)	\$ (124,590)	\$ (2,659,178)
CMP	Pittsfield Solar Solar PV	MWh	967	775	1,858	1,596	1,812	1,915	1,568	1,631	1,492	1,187	1,222	585	16,607	
		Contract Payments	\$ 81,692	\$ 65,487	\$ 156,997	\$ 134,867	\$ 153,146	\$ 161,785	\$ 137,017	\$ 137,802	\$ 126,037	\$ 100,300	\$ 103,273	\$ 49,446	\$ 49,446	1,407,849
		Entitlement Revenue	\$ 34,230	\$ 61,007	\$ 46,206	\$ 35,380	\$ 41,945	\$ 60,111	\$ 67,651	\$ 90,425	\$ 55,868	\$ 56,637	\$ 62,811	\$ 39,334	\$ 39,334	651,605
		Net Ratepayer (Cost)/Benefit	\$ (47,462)	\$ (4,480)	\$ (110,791)	\$ (99,487)	\$ (111,201)	\$ (101,674)	\$ (69,366)	\$ (47,377)	\$ (70,169)	\$ (43,663)	\$ (40,462)	\$ (10,112)	\$ (10,112)	\$ (756,244)
Versant Power	Pisgah Mountain Wind	MWh	2,901	2,127	3,932	2,802	2,308	2,387	1,532	1,240	2,271	2,227	2,770	3,011	29,508	
		Contract Payments	\$ 269,836	\$ 197,838	\$ 365,640	\$ 260,625	\$ 214,640	\$ 221,976	\$ 142,504	\$ 115,276	\$ 211,220	\$ 207,068	\$ 257,586	\$ 280,011	\$ 280,011	2,744,220
		Entitlement Revenue	\$ 68,086	\$ 164,586	\$ 141,328	\$ 53,943	\$ 46,121	\$ 62,964	\$ 56,174	\$ 53,737	\$ 79,675	\$ 50,016	\$ 98,156	\$ 162,742	\$ 162,742	1,037,527
		Net Ratepayer (Cost)/Benefit	\$ (201,750)	\$ (33,252)	\$ (224,312)	\$ (206,682)	\$ (168,519)	\$ (159,012)	\$ (86,330)	\$ (61,540)	\$ (131,545)	\$ (157,052)	\$ (159,429)	\$ (117,269)	\$ (117,269)	\$ (1,706,693)
Versant Power	Exeter Agri-Energy Anaerobic digester	MWh	1,089	827	1,416	1,491	1,408	1,351	1,320	1,305	1,002	1,269	1,089	1,166	14,734	
		Contract Payments	\$ 103,468	\$ 77,822	\$ 131,212	\$ 137,196	\$ 130,485	\$ 125,300	\$ 123,036	\$ 121,713	\$ 95,284	\$ 118,584	\$ 102,975	\$ 109,800	\$ 109,800	1,376,877
		Entitlement Revenue	\$ 23,615	\$ 53,634	\$ 52,902	\$ 30,659	\$ 29,305	\$ 37,547	\$ 95,098	\$ 195,659	\$ 180,262	\$ 162,883	\$ 140,651	\$ 115,272	\$ 115,272	1,117,486
		Net Ratepayer (Cost)/Benefit	\$ (79,854)	\$ (24,189)	\$ (78,309)	\$ (106,537)	\$ (101,180)	\$ (87,754)	\$ (27,937)	\$ 73,946	\$ 84,978	\$ 44,299	\$ 37,675	\$ 5,472	\$ 5,472	\$ (259,391)
35-A M.R.S. §3210-C																
CMP	Rollins Wind Wind	MWh	11,026	8,150	17,213	11,901	9,470	8,969	6,386	4,446	7,965	8,351	9,825	13,383	117,084	
		Contract Payments	\$ 636,422	\$ 509,486	\$ 1,045,858	\$ 686,843	\$ 530,181	\$ 444,340	\$ 427,153	\$ 235,361	\$ 455,179	\$ 485,306	\$ 578,260	\$ 886,473	\$ 886,473	6,920,862
		Entitlement Revenue	\$ 168,815	\$ 290,435	\$ 510,697	\$ 133,633	\$ 207,239	\$ 243,459	\$ 216,915	\$ 211,640	\$ 58,916	\$ (288,941)	\$ (388,324)	\$ 653,706	\$ 653,706	2,018,190
		Net Ratepayer (Cost)/Benefit	\$ (467,607)	\$ (219,051)	\$ (535,161)	\$ (553,210)	\$ (322,942)	\$ (200,881)	\$ (210,238)	\$ (23,721)	\$ (396,263)	\$ (774,247)	\$ (966,584)	\$ (232,767)	\$ (232,767)	\$ (4,902,672)
CMP	Dirigo Solar Projects Solar PV	MWh	-	-	-	-	-	-	2,211	3,581	3,130	2,303	2,109	996	14,329	
		Contract Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,914	\$ 121,183	\$ 105,994	\$ 78,231	\$ 72,937	\$ 31,679	\$ 497,938	
		Entitlement Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,161	\$ 194,940	\$ 126,011	\$ 109,625	\$ 111,377	\$ 63,715	\$ 698,829	
		Net Ratepayer (Cost)/Benefit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,247	\$ 73,757	\$ 20,017	\$ 31,394	\$ 38,440	\$ 32,036	\$ 200,891	
Versant Power	Dirigo Solar Projects Solar PV	MWh	-	-	-	-	-	-	-	2,871	2,454	1,933	738	7,996		
		Contract Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,612	\$ 83,447	\$ 65,736	\$ 25,078	\$ 271,873		
		Entitlement Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,625	\$ 107,378	\$ 89,973	\$ 44,662	\$ 375,639	
		Net Ratepayer (Cost)/Benefit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,013	\$ 23,932	\$ 24,237	\$ 19,583	\$ 103,765	
Versant Power	Rollins Wind Wind	MWh	2,822	2,906	3,530	3,183	2,376	2,333	1,907	1,224	1,499	1,598	2,338	3,086	28,801	
		Contract Payments	\$ 166,508	\$ 135,133	\$ 249,064	\$ 168,566	\$ 129,286	\$ 131,674	\$ 84,717	\$ 61,305	\$ 111,573	\$ 114,661	\$ 160,531	\$ 210,819	\$ 210,819	1,723,635
		Entitlement Revenue	\$ 10,175	\$ 83,233	\$ 119,153	\$ 48,527	\$ 28,130	\$ 58,887	\$ 63,695	\$ 46,591	\$ 45,997	\$ (5,838)	\$ (125,945)	\$ 38,591	\$ 38,591	411,196
		Net Ratepayer (Cost)/Benefit	\$ (156,333)	\$ (51,900)	\$ (129,911)	\$ (120,039)	\$ (101,155)	\$ (72,786)	\$ (21,022)	\$ (14,714)	\$ (65,576)	\$ (120,499)	\$ (286,476)	\$ (172,028)	\$ (172,028)	\$ (1,312,439)
Versant Power	Weaver Wind Wind	MWh	22,182	16,942	29,754	20,900	17,347	17,044	10,941	7,454	16,120	16,107	20,969	24,282	220,042	
		Contract Payments	\$ 776,368	\$ 592,987	\$ 1,041,375	\$ 731,498	\$ 607,141	\$ 596,554	\$ 382,936	\$ 260,899	\$ 564,189	\$ 563,729	\$ 733,916	\$ 849,872	\$ 7,701,463	
		Entitlement Revenue	\$ 294,132	\$ 996,286	\$ 808,900	\$ 386,645	\$ 248,309	\$ 386,845	\$ 386,845	\$ 386,845	\$ 322,162	\$ 406,963	\$ 279,711	\$ 510,408	\$ 940,069	\$ 5,946,978
		Net Ratepayer (Cost)/Benefit	\$ (482,236)	\$ 403,299	\$ (232,475)	\$ (344,853)	\$ (358,831)	\$ (229,709)	\$ 3,612	\$ 61,263	\$ (157,225)	\$ (284,018)	\$ (223,509)	\$ 90,197	\$ 90,197	\$ (1,754,484)
Offshore Wind Pilot Program																
Versant Power	ORPC Tidal	MWh	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Contract Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Entitlement Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Net Ratepayer (Cost)/Benefit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total All Contracts			Net Ratepayer (Cost)/Benefit	\$ (2,050,588)	\$ (78,484)	\$ (1,818,607)	\$ (2,097,165)	\$ (1,927,405)	\$ (1,492,664)	\$ (991,874)	\$ (430,458)	\$ (1,137,286)	\$ (1,627,607)	\$ (1,980,565)	\$ (689,237)	\$ (16,321,940)

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