

MAINE STATE LEGISLATURE

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STATE OF MAINE
124TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed during the First Regular Session of the 124th Maine Legislature coming from the

**JOINT STANDING COMMITTEE ON UTILITIES AND
ENERGY**

July 2009

STAFF:

LUCIA A. NIXON, LEGISLATIVE ANALYST
OFFICE OF POLICY AND LEGAL ANALYSIS
13 STATE HOUSE STATION
AUGUSTA, ME 04333
(207) 287-1670

MEMBERS:

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STATE OF MAINE

124TH LEGISLATURE
FIRST REGULAR SESSION



LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all bills and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 124th Maine Legislature.

The *Digest* is arranged alphabetically by committee, and within each committee by LD number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

<i>CARRIED OVER</i>	<i>Carried over to a subsequent session of the Legislature</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed; bill died</i>
<i>ONTP (or Accepted ONTP report)</i>	<i>Ought Not To Pass report accepted; bill died</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

The effective date for non-emergency legislation enacted in the First Regular Session of the 124th Legislature is September 12, 2009. The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills.

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This bill requires that a competitive electricity provider of a new renewable capacity resource in the portfolio of supply sources for retail electricity sales in the State must supply all of the electricity from its renewable resource generation facility to the New England Power Pool or the northern Maine independent system for a minimum period of one year. Under the bill, a competitive electricity provider that imports its electricity from a generating facility located outside of the New England Power Pool or the northern Maine independent system may not subject the delivery of electricity to economic withholding or curtailment except for a transmission line outage or when the interpool tie lines are operating at full transfer capacity. A competitive electricity provider that fails to comply with the provisions of this bill may not be considered eligible as a new renewable capacity resource for 12 months.

Committee Amendment "A" (S-124)

This amendment replaces the bill with a resolve. The amendment directs the Public Utilities Commission to review and make recommendations for improvements to the portfolio requirements for new renewable capacity resources that must be met by competitive electricity providers in this State. The amendment specifically requires the commission to examine the costs and benefits of imposing additional requirements on owners and operators of new renewable capacity resources used to satisfy the new renewable portfolio requirements, which was proposed in the bill, and to develop recommendations to strengthen incentives for the development of new renewable resources within the State.

The amendment requires the commission to submit a report of its findings and recommendations for the portfolio requirements for new renewable capacity resources to the Joint Standing Committee on Utilities and Energy by January 15, 2010, and it authorizes the committee to submit legislation concerning this subject to the Second Regular Session of the 124th Legislature.

Enacted Law Summary

Resolve 2009, chapter 51 directs the Public Utilities Commission to review and make recommendations for improvements to the portfolio requirements for new renewable capacity resources that must be met by competitive electricity providers in this State. The resolve specifically requires the commission to examine the costs and benefits of imposing additional requirements on owners and operators of new renewable capacity resources used to satisfy the new renewable portfolio requirements and to develop recommendations to strengthen incentives for the development of new renewable resources within the State.

The resolve requires the commission to submit a report of its findings and recommendations for the portfolio requirements for new renewable capacity resources to the Joint Standing Committee on Utilities and Energy by January 15, 2010, and it authorizes the committee to submit legislation concerning this subject to the Second Regular Session of the 124th Legislature.

LD 1075

An Act To Establish the Community-based Renewable Energy Pilot Program

PUBLIC 329

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MACDONALD	OTP-AM	H-463

This bill includes a number of provisions designed to encourage the development of community-based energy facilities and to achieve a goal of having 5 percent of electricity consumed by retail customers produced by community-based energy facilities by 2017.

1. It requires the State to give preference to community-based energy facilities in purchasing electricity for state-owned buildings and facilities.

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2. It increases the value of renewable energy credits for electricity generated by community-based energy facilities to 150 percent of the amount of the electricity.
3. It requires standard-offer service providers to purchase a minimum amount of electricity from community-based energy facilities.
4. It requires the Executive Department, State Planning Office to develop a model legal organizational structure for community-based energy facilities.
5. It requires the Public Utilities Commission and the Executive Department, Governor's Office of Energy Independence and Security to develop and administer a system to track the development of community-based energy facilities.
6. It requires those state agencies that have energy-related responsibilities to develop a plan to consolidate and integrate state-level energy policy and program functions and responsibilities within a single state entity.
7. It authorizes funding from the Energy and Carbon Savings Trust Fund to be used for the development of community-based energy facilities.

Committee Amendment "A" (H-463)

This amendment replaces the bill. Like the bill, the amendment is designed to encourage the development of community-based renewable energy in the State.

Part A establishes the community-based renewable energy pilot program, administered by the Public Utilities Commission, to encourage the sustainable development of community-based renewable energy in the State. The program has a sunset date of December 31, 2015. Participation in the program is limited to 50 megawatts of generating capacity across all projects and each individual project is limited to 10 megawatts of generating capacity. To participate in the program, a community-based renewable energy project must have demonstrated support in the form of a local resolution of support.

A community-based renewable energy project that participates in the program may elect one of two program incentives: a long-term contract for energy generated by the project or a 150 percent multiplier on the value of renewable energy credits for electricity generated by the project, which must be accounted for when renewable energy credits are used to satisfy the State's renewable resource portfolio requirements. For the long-term contract option, the amendment establishes a maximum contract term of 20 years, establishes a cap of 10 cents per kilowatt-hour on the average price per kilowatt-hour within each contract year and requires the commission to ensure that mechanisms are established to protect electricity ratepayers over the contract term. The amendment authorizes the commission to direct investor-owned transmission and distribution utilities to enter into long-term contracts with program participants and authorizes consumer-owned transmission and distribution utilities, at their own option, to enter such contracts.

The amendment requires the commission to report biennially to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters regarding the implementation and effectiveness of the community-based renewable energy pilot program and the overall development of community-based renewable energy projects in the State. In the first biennial report, the commission is required to include recommendations for policy options to encourage the development of community-based renewable energy projects in economically disadvantaged areas of the State. The amendment requires the commission to submit an interim progress report no later than February 15, 2010 regarding the development and implementation of the program.

Part A also authorizes, but does not require, the State to give preference to electricity generated by community-based renewable energy projects when purchasing electricity for the State and authorizes, but does not require, the

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commission to incorporate energy generated by community-based renewable energy projects into the supply of standard-offer service.

Part B requires the commission to arrange for a green power offer that is composed of electricity or renewable energy credits for electricity generated from renewable resources, including electricity generated by community-based renewable energy projects. It requires the commission to administer a competitive bid process to select a green power offer provider or providers. The amendment requires the commission to arrange the green power offer for the service territory of an investor-owned transmission and distribution utility and enables a consumer-owned transmission and distribution utility to elect to have the commission arrange a green power offer if the commission arranges standard-offer service for that utility. The amendment requires the commission to inform consumers about the opportunity to purchase the green power offer and adds language to current law to allow for information regarding the green power offer to be presented through inserts in customer bills under the process that currently exists for other green power supply products. The amendment provides a sunset date of December 31, 2015 for the green power offer and for the existing law regarding bill inserts to inform consumers about green power supply products, which is currently repealed July 1, 2010.

Enacted Law Summary

Public Law 2009, chapter 329 is designed to encourage the development of community-based renewable energy in the State.

Part A establishes the community-based renewable energy pilot program, administered by the Public Utilities Commission, to encourage the sustainable development of community-based renewable energy in the State. The program has a sunset date of December 31, 2015. Participation in the program is limited to 50 megawatts of generating capacity across all projects and each individual project is limited to 10 megawatts of generating capacity. To participate in the program, a community-based renewable energy project must have demonstrated support in the form of a local resolution of support.

A community-based renewable energy project that participates in the program may elect one of 2 program incentives: a long-term contract for energy generated by the project or a 150 percent multiplier on the value of renewable energy credits for electricity generated by the project, which must be accounted for when renewable energy credits are used to satisfy the State's renewable resource portfolio requirements. For the long-term contract option, the law establishes a maximum contract term of 20 years, establishes a cap of 10 cents per kilowatt-hour on the average price per kilowatt-hour within each contract year and requires the commission to ensure that mechanisms are established to protect electricity ratepayers over the contract term. This law authorizes the commission to direct investor-owned transmission and distribution utilities to enter into long-term contracts with program participants and authorizes consumer-owned transmission and distribution utilities, at their own option, to enter such contracts.

The law requires the commission to report biennially to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters regarding the implementation and effectiveness of the community-based renewable energy pilot program and the overall development of community-based renewable energy projects in the State. In the first biennial report, the commission is required to include recommendations for policy options to encourage the development of community-based renewable energy projects in economically disadvantaged areas of the State. The law requires the commission to submit an interim progress report no later than February 15, 2010 regarding the development and implementation of the program.

Part A also authorizes, but does not require, the State to give preference to electricity generated by community-based renewable energy projects when purchasing electricity for the State and authorizes, but does not require, the commission to incorporate energy generated by community-based renewable energy projects into the supply of standard-offer service.

Part B requires the commission to arrange for a green power offer that is composed of electricity or renewable

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energy credits for electricity generated from renewable resources, including electricity generated by community-based renewable energy projects. It requires the commission to administer a competitive bid process to select a green power offer provider or providers. The law also requires the commission to arrange the green power offer for the service territory of an investor-owned transmission and distribution utility and enables a consumer-owned transmission and distribution utility to elect to have the commission arrange a green power offer if the commission arranges standard-offer service for that utility. It requires the commission to inform consumers about the opportunity to purchase the green power offer and adds language to current law to allow for information regarding the green power offer to be presented through inserts in customer bills under the process that currently exists for other green power supply products. The law provides a sunset date of December 31, 2015 for the green power offer and for the existing law regarding bill inserts to inform consumers about green power supply products, which is currently repealed July 1, 2010.

LD 1095 An Act To Provide Affordable Installation of Alternative Energy Systems

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BECK HOBBINS	ONTP	

Under current law governing the solar and wind energy rebate program, an owner or tenant of residential or commercial property may receive a rebate for a qualified solar energy system that is installed on the property. This bill amends the law to provide that the installer of a qualified solar energy system or the owner or tenant of the property on which the qualified solar energy system is installed may receive the rebate. If the installer receives the rebate, the installer is required to pass through 100 percent of the rebate to the property owner or tenant.

LD 1114 An Act To Facilitate the Marketing of Power Produced by Small Generators

PUBLIC 197

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VAN WIE	OTP-AM	H-226

This bill allows a transmission and distribution utility to aggregate electric power from multiple small generators and administer on behalf of those generators the purchase and sale of electricity to a competitive electricity provider. The parties to any resulting sale must be the generators and the competitive electricity provider.

Committee Amendment "A" (H-226)

This amendment replaces the bill and makes the following changes.

1. It clarifies the specific types of small generators whose power may be aggregated for sale to a competitive electricity provider by defining "eligible small generator" as a generator that has a generating capacity of up to 5 megawatts and generates electricity using a renewable resource or an efficient combined heat and power system.
2. It provides for sale of aggregated output from eligible small generators to the standard-offer service provider in the event that a transmission and distribution utility is unable to sell the aggregated output to a competitive electricity provider.
3. It permits, rather than requires as in the bill, the Public Utilities Commission to adopt rules to implement the sale