

131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1830

S.P. 746

In Senate, April 27, 2023

An Act to Advance Maine's Clean Energy Goals

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

DAREK M. GRANT Secretary of the Senate

Presented by Senator VITELLI of Sagadahoc. Cosponsored by Speaker TALBOT ROSS of Portland and Senators: President JACKSON of Aroostook, RENY of Lincoln.

4 5	1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.
6 7	A. "Combined project" means a Class IA resource that is paired with an energy storage system in accordance with rules adopted by the commission.
8	B. "Contaminated land" means:
9 10 11	(1) Land that is or may be polluted in a manner that impedes development, as determined by the commission by rule in consultation with the Department of Agriculture, Conservation and Forestry; or
12 13 14	(2) Farmland, as defined in Title 7, section 52, subsection 4, that the Department of Agriculture, Conservation and Forestry has found to be contaminated with perfluoroalkyl and polyfluoroalkyl substances.
15 16	C. "Eligible Class IA resource" means a Class IA resource, as defined in section 3210, subsection 2, paragraph A-3, that is located on contaminated land.
17	D. "Energy storage system" has the same meaning as in section 3481, subsection 6.
18 19 20 21 22 23 24 25	2. Competitive procurement. The commission shall direct investor-owned transmission and distribution utilities to enter into one or more contracts for energy or renewable energy credits from eligible Class IA resources or combined projects in accordance with this section. Customers who have made an election pursuant to section 3210, subsection 10 are subject to prohibitions on bidding on or obtaining a contract under this section as provided in section 3210, subsection 10 for contracts under section 3210-G. A. The commission shall initiate a competitive solicitation for contracts under this
26 27 28	paragraph and ensure that the solicitation results in the approval of contracts by December 31, 2024 for energy or renewable energy credits equal to 5% of the retail electricity sales in this State for the period from January 1, 2021 to December 31, 2021 plus any amount determined pursuant to paragraph B.
29 30 31 32 33 34 35 36	B. If the commission, in consultation with the Governor's Energy Office, finds that any entity awarded a contract under section 3210-G is not making demonstrable progress in bringing the contracted resources into commercial viability, the contract must be voided in accordance with this paragraph. The commission shall provide notice to the entity that if such progress is not achieved within a reasonable time frame established by the commission, the contracts will be deemed unfulfilled and void and the amount of output that was specified in the contract must be added to the amount to be procured under paragraph A.
37 38	C. In conducting a solicitation and selecting Class IA resources or combined projects for contracts under this section, the commission shall:
39 40 41	(1) Consider project viability. The commission shall reject a bid if the commission finds that the system impact study required by the New England independent system operator for the Class IA resource has not been filed;

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 35-A MRSA §3209-C is enacted to read:

§3209-C. Distributed renewable generation

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- 1 (2) Consider the expected effect of selected Class IA resources on other renewable
 2 resources, as defined in section 3210, subsection 2, paragraph C, due to congestion
 3 and curtailment; and
 - (3) Weigh the benefits to ratepayers and the benefits to the State's economy as follows:
 - (a) A weight of 70% must be given to the benefits to ratepayers; and
 - (b) A weight of 30% must be given to the economic use of contaminated land, as determined by the commission by rule.

The commission may only select Class IA resources or combined projects for contracts under this section if the commission finds the contract will benefit ratepayers and the bid price is less than the standard-offer service rate established pursuant to section 3212 that applies to residential customers in the territory of the transmission and distribution utility at the time the contract is executed.

- 3. Rules. The commission shall adopt rules necessary for the implementation of this section. Rules adopted by the commission may include, but are not limited to, provisions stipulating the financial security mechanisms that will be required as a condition of the selection of Class IA resources for contracts under this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.
- **Sec. 2. 35-A MRSA §3210, sub-§11,** as enacted by PL 2019, c. 477, §1, is amended to read:
- 11. Report; Class IA resource and thermal renewable energy credit portfolio requirements. By March 31, 2024 and every 5 years thereafter, the eommission Governor's Energy Office shall submit a report to the joint standing committee of the Legislature having jurisdiction over energy matters based on a review, conducted in consultation with the Governor's Energy Office commission, of the status and impacts of the implementation of the portfolio requirements for Class IA renewable resources under subsection subsections 3, 3-A and 3-B and thermal renewable energy credits under subsection 3-C. The review must be completed through a public process and must include consideration of impacts of these renewable portfolio requirements on energy prices and assessment of benefits, including, but not limited to, on greenhouse gas emissions and the economy of the State. The report required under this subsection may be submitted in conjunction with the report required under subsection 3-A, paragraph C. After reviewing the report required under this subsection, the committee may report out legislation regarding renewable portfolio requirements.

36 SUMMARY

 This bill requires the Governor's Energy Office, in consultation with the Public Utilities Commission, to review the impacts of the State's renewable resources portfolio requirements and submit a report to the joint standing committee of the Legislature having jurisdiction over energy matters by March 31, 2024 and every 5 years thereafter.

The bill establishes a competitive solicitation for energy or renewable energy credits equal to 5% of the retail electricity sales in this State for the period from January 1, 2021 to December 31, 2021 plus any amount contracted under previous procurements that is not

brought into commercial viability within a reasonable time frame established by the commission. Eligible projects must be located on land that is contaminated in some way and may include energy storage systems paired with renewable resources. In conducting a solicitation and selecting projects for contracts, the commission is directed to consider project viability and consider the expected effect on other renewable resources due to congestion and curtailment. The commission is also directed to apply a weight of 70% to the benefits to ratepayers and a weight of 30% to the economic use of contaminated land. The commission may only select projects the commission finds will benefit ratepayers. Bid prices must be less than the then-current standard-offer service rate.