

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Encourage Community Wind Power Projects

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

Sec. 1. 35-A MRSA §3403, sub-§3 is enacted to read:

3. Production incentive. The commission shall administer the Community Wind Energy Production Incentive Program in accordance with section 3405.

Sec. 2. 35-A MRSA §3403, sub-§4 is enacted to read:

4. Community wind energy advisory office. The commission shall establish a community wind energy advisory office to provide technical assistance to potential developers of community wind energy projects, as defined in section 3405. The office shall, at a minimum, provide assistance with site identification, wind measurement and monitoring, facility design, technical feasibility analysis, economic feasibility analysis and public outreach.

Sec. 3. 35-A MRSA §3405 is enacted to read:

§ 3405. Community Wind Energy Production Incentive Program

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Community wind energy project" means a locally owned electricity generating facility at any one site with an instantaneous generating nameplate capacity of not less than 600 kilowatts and not more than 2 megawatts that is powered entirely by wind energy;

B. "Class 3 wind resource" means a wind power density of 150 to 200 watts per square meter at a height of 10 meters or 300 to 400 watts per square meter at a height of 50 meters.

C. "Locally owned electricity generating facility" means an electricity generating facility at least 51% of which is owned by one or more individuals or entities located within the community where the facility is sited. Local owners may include, but are not limited to:

(1) Local residents;

(2) Local governments or political subdivisions, including, but not limited to, counties, municipalities, school administrative units, as defined in Title 20-A, section 1, and quasi-municipal corporations or districts, as defined in Title 30-A, section 2351;

(3) Nonprofit corporations, as defined in Title 13-C, section 102;

(4) Consumer-owned transmission and distribution utilities, as defined in section 3501; and

(5) Federally recognized Indian tribes, if the facility is sited on land owned by the tribe.

D. "Wind power density" means the amount of energy, measured in watts per square meter, available at a location for conversion into electricity by a wind turbine.

2. Program established. The Community Wind Energy Production Incentive Program, referred to in this section as "the program," is established to provide production incentive payments to community wind energy projects. The commission shall administer the program.

3. Fund. The Community Wind Energy Production Incentive Fund, referred to in this section as "the fund," is established as a nonlapsing fund into which must be deposited all amounts appropriated or allocated to the program. The commission may seek and accept funding for the program from any source, public or private, to carry out the purposes of this section. The fund must be used by the commission to make production incentive payments to eligible community wind energy projects in accordance with this section. At the end of each fiscal year, all unencumbered balances in the fund account must be carried forward to be used for the purposes of the program.

4. Eligibility criteria; application process. To be eligible for the production incentive payment under this section, a community wind energy project must:

A. Be sited in a location with class 3 or higher wind resources; and

B. Be interconnected with the electric power transmission and distribution system of the State.

The commission shall prescribe an application form or procedure that must be used to apply for an incentive payment under this section. The application form or procedure must include any information that the commission determines necessary for the purpose of implementing this section. The commission shall determine whether a project qualifies for the incentive payment and respond in writing within 30 working days of receipt of a completed application.

5. Incentive payment. Incentive payments to community wind energy projects must be made in accordance with this subsection. To the extent that funds are available in the fund, a community wind energy project that qualifies under subsection 4 is entitled to a production incentive payment equal to 1.5¢ per kilowatt-hour on energy generated by the project during the first 10 years of operation of the project that is sold by the project and transmitted over the electric power grid. To the extent that applications for incentive payments exceed the funds available, the commission may establish a waiting list for incentive payments. Projects must be placed on the waiting list based on the date of application. A project that is not operational within 18 months of the application date must be removed from the waiting list.

6. Purchase agreement; tariff. Notwithstanding any other provision of this chapter, a transmission and distribution utility shall offer a standard power purchase agreement, as defined by the commission by rule, and a standard power purchase tariff, as defined by the commission by rule, to any customer who agrees to construct, own and operate a community wind energy project in the service territory of the utility and requests interconnection with the utility's distribution system.

7. Rules. The commission shall adopt rules to implement this section. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

SUMMARY

This bill establishes an incentive payment of 1.5¢ per kilowatt-hour to qualifying community wind energy projects for the first 10 years of turbine operation on all electricity sold back to the electricity distribution system. The bill directs the Public Utilities Commission to administer the incentive payment program and to create a community wind energy advisory office to assist potential developers of community wind energy projects with site identification, wind measurement, feasibility analysis and other tasks required for project development. To qualify for the production incentive payment, a wind energy project must generate between 600 kilowatts and 2 megawatts of power, be locally owned, be sited in a location with a class 3 or higher wind resource, be interconnected with the electricity distribution system and have an agreement to sell power generated by the project. The bill requires transmission and distribution utilities to offer a standard purchase agreement and standard purchase tariff for power generated by community wind energy projects.