**An Act Regarding the Solicitation of Contracts for Distributed Resources That Use Renewable Energy**

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

**Sec.** **1. 35-A MRSA §3210-F, sub-§1, ¶B,** as enacted by PL 2013, c. 454, §2, is amended to read:

B. "Long-term energy contract" means a contract with an investor-owned transmission and distribution utility entered into under section 3210‑C, 3210-H or ~~section~~ 3604.

**Sec.** **2. 35-A MRSA §3210-H** is enacted to read:

**§****3210-H.** **Long-term contracts**

The commission shall direct investor-owned transmission and distribution utilities to enter into contracts for distributed resources pursuant to this section. For purposes of this section, "distributed resource" means an electric generating facility that uses a renewable fuel or technology under section 3210, subsection 2, paragraph B-3, regardless of the facility's power production capacity, and is located in the service territory of a transmission and distribution utility in the State.

**1.** **Solicitations.** By January 1, 2025, the commission shall select at least 2 competitive solicitations timed to coordinate with other procurements undertaken by the commission. Following a review of the bids received, the commission may negotiate with one or more potential suppliers of distributed resources. If only one bid is offered, the commission shall ensure that the negotiation with the bidder is based on a full project cost disclosure by the potential supplier. The commissioner shall negotiate a contract of up to 100 megawatts in capacity that is commercially reasonable and commits all parties to commercially reasonable behavior. The commission may direct an investor-owned transmission and distribution utility to enter into a contract of up to 375 megawatts if the aggregate of projected costs of all contracts entered into under this section does not exceed the commission's most recent best estimate of the aggregate of costs of long-term contracts under section 3210-G. If the pricing of one or more competitive bids is equivalent, the commission shall give preference to a project that:

A. Supports the rural economy of the State;

B. Offers a solution to the needs of the electric grid; or

C. Includes a program to assist low-income residents of the State to obtain the benefits of renewable energy.

**2.** **Disposition of resources.** As directed by the commission pursuant to this section, an investor-owned transmission and distribution utility shall sell distributed resource capacity or energy purchased or take other action relative to distributed resource capacity or energy.

**3.** **Cost and benefit recovery.** The commission shall ensure that all costs and direct financial benefits associated with a contract entered into under this section are allocated to ratepayers in accordance with section 3210-F. An amount charged to a ratepayer must reflect any price differential that exists at any time during the term of the contract between the contract price and the prevailing market price at which the distributed resource is sold and any other differences from gains or losses derived from a contract.

**Sec.** **3. 35-A MRSA c. 34-C,** as amended, is repealed.

**SUMMARY**

This bill repeals provisions of law regarding distributed generation of electricity and directs the Public Utilities Commission by January 1, 2025 to solicit bids from suppliers of distributed resources of renewable fuel or technology regardless of power production capacity to enter into contracts with transmission and distribution utilities in whose service territory the suppliers are located. The Public Utility Commission is required to ensure that all costs and direct financial benefits associated with a contract are allocated to ratepayers and that the amount charged to a ratepayer reflects any price differential that exists at any time during the term of the contract between the contract price and the prevailing market price at which the distributed resource is sold and any other gains or losses derived from the contract.