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ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
127TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT " " to H.P. 1120, L.D. 1649, Bill, "An Act To Modernize Maine's Solar Power Policy and Encourage Economic Development"

Amend the bill in section 4 in §3471-A in subsection 4 in the 4th line (page 3, line 15 in L.D.) by striking out the following: "this section the beneficial use of the output of the resources" and inserting the following: 'section 3478 the beneficial use of the output'

Amend the bill in section 4 in §3471-A by striking out all of subsection 6 (page 3, lines 18 to 27 in L.D.) and inserting the following:

'6. Micro-combined heat and power system. "Micro-combined heat and power system" means a system that produces heat and electricity in a manner as defined by commission rule.'

Amend the bill in section 6 in §3476 in subsection 3 in paragraph B in the last line (page 5, line 37 in L.D.) by striking out the following: "3479" and inserting the following: '3480'

Amend the bill in section 6 in §3476 in subsection 3 in paragraph C in the last line (page 5, line 39 in L.D.) by inserting after the following: "pursuant to" the following: 'section 3478, subsection 8 and'

Amend the bill in section 6 in §3478 in subsection 8 by striking out all of the last 4 lines (page 8, lines 13 to 16 in L.D.) and inserting the following:

'The commission shall establish a mechanism to allow a subscriber to a large-scale community solar distributed generation resource under this section to purchase renewable energy credits equivalent to those the subscriber has sold to the standard solar buyer at a price equal to 80% of market value.'

Amend the bill in section 6 in §3480 in subsection 2 by striking out all of the next to the last blocked paragraph (page 11, lines 9 to 14 in L.D.) and inserting the following:

'In meeting the procurement targets in section 3475, subsection 4, the commission shall set rates at levels designed to ensure insofar as possible that total annual contract payments for new distributed generation resources procured under this section do not

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1 exceed \$10,500.00 per year through 2022. For the purposes of setting these rates, the
2 commission shall assume system performance of solar distributed generation resources
3 that reflects the best available data on actual performance of solar distributed generation
4 resources in the State, assuming an export rate of 50%, and may not include the effect of
5 the adjustment mechanism in subsection 3. Rates set under this subsection may be
6 constant or increase over the term of the contract.'

7 Amend the bill in section 6 in §3480 by striking out all of subsection 3 (page 11, lines
8 18 to 23 in L.D.) and inserting the following:

9 **3. Rate adjustment mechanism.** The commission shall establish an adjustment
10 mechanism to ensure that the procurement targets established under section 3475 can be
11 met under reasonable future assumptions by automatically increasing rates for new
12 customers by a specified amount if the total solar distributed generation resource capacity
13 installed by residential and small business customers under this section is less than 85%
14 of the applicable target established in section 3475, subsection 4. The evaluation to
15 determine whether this adjustment is triggered must occur at 6-month intervals.'

16 Amend the bill in section 6 in §3480 in subsection 4 in the first line (page 11, line 24
17 in L.D.) by striking out the following: "section" and inserting the following: 'subsection'

18 Amend the bill in section 6 in §3480 in subsection 7 in the first paragraph by striking
19 out all of the last sentence (page 12, lines 8 and 9 in L.D.) and inserting the following:
20 'Notwithstanding the limitation on facility size under subsection 1, the commission shall
21 establish a process to permit customers eligible under this subsection to enter into
22 contracts and receive payments under subsections 1 and 2.'

23 Amend the bill in section 6 in §3480 in subsection 7 in the first blocked paragraph in
24 the first line (page 12, line 10 in L.D.) by striking out the following: "A customer" and
25 inserting the following: 'Notwithstanding the limitation on facility size under subsection
26 1, a customer'

27 Amend the bill in section 6 in §3480 by striking out all of subsection 11 (page 12,
28 lines 42 and 43 and page 13, lines 1 to 26 in L.D.) and inserting the following:

29 **11. Program review.** By one year after the effective date of rules adopted pursuant
30 to subsection 10, or when 14 megawatts of capacity have been installed by residential and
31 small business customers pursuant to this section, whichever is earlier, the commission
32 shall initiate an expedited proceeding to determine whether:

33 A. The procurement targets in section 3475, subsection 4 are likely to be met through
34 2022; and

35 B. The total cost to all customers is likely to be less than if the procurement targets in
36 section 3475, subsection 4 were installed under the commission's net energy billing
37 rules.

38 If at the time of a proceeding under this subsection the commission concludes that there is
39 not sufficient information to conduct an evaluation of the conditions under paragraphs A
40 and B, the commission may defer the evaluation for an additional 6 months.

1 If the commission concludes that both conditions under paragraphs A and B will be met,
2 the rules established pursuant to subsection 10 remain in effect, and net energy billing
3 pursuant to section 3209-A is not available to new customers in the future.

4 If the commission concludes that the condition under paragraph A or B will not be met,
5 the commission shall make findings regarding the reasons the condition will not be met
6 and provide a report summarizing its conclusions to the joint standing committee of the
7 Legislature having jurisdiction over utility matters within 30 days of the start of the First
8 Regular Session of the 129th Legislature. If the commission determines that the rules
9 adopted under this section can be modified to enable the program to meet procurement
10 targets or reduce costs so that the conditions under paragraphs A and B are likely to be
11 met in the future, it shall make and submit such changes to the First Regular Session of
12 the 129th Legislature. If the commission determines that these rules cannot be modified
13 to meet these targets or reduce costs, the commission shall review its net energy billing
14 rules or recommend alternative mechanisms to support distributed generation in a manner
15 that benefits all ratepayers. If the commission does not propose changes to the rules
16 adopted pursuant to subsection 10 or new rules are not adopted within 60 days of the
17 adjournment of the First Regular Session of the 129th Legislature, net energy billing
18 pursuant to section 3209-A must be made available to new customers beginning 60 days
19 after adjournment of the First Regular Session of the 129th Legislature.'

20 Amend the bill in section 7 in the first line (page 13, line 40 in L.D.) by striking out
21 the following: "**Siting of solar distributed generation resources.**" and inserting the
22 following: '**Report; siting of solar distributed generation resources on pre-existing**
23 **impervious surfaces or brownfields.'**

24 Amend the bill by adding after section 7 the following:

25 '**Sec. 8. Report; siting of solar distributed generation resources on**
26 **farmland.** By January 1, 2017, the Department of Agriculture, Conservation and
27 Forestry shall submit to the joint standing committee of the Legislature having
28 jurisdiction over energy and utilities matters and the joint standing committee of the
29 Legislature having jurisdiction over agricultural matters a report that evaluates what
30 actions can be taken to ensure that any new solar distributed generation resource procured
31 pursuant to the Maine Revised Statutes, Title 35-A, sections 3477 to 3479 and proposed
32 to be built on farmland designated as "prime farmland" or "farmland of statewide
33 importance" by the United States Department of Agriculture, is designed and built in a
34 manner that does not remove topsoil or otherwise permanently impair the suitability of
35 that land for future agricultural use. The report must also include an evaluation of what
36 actions can be taken to ensure that the decommissioning of solar distributed generation
37 resources procured pursuant to Title 35-A, sections 3477 to 3479 on farmland that is
38 designated as "prime farmland" or "farmland of statewide importance" occurs in a
39 manner that enables the farmland to be returned to agricultural use. The report may
40 include recommendations for legislation that may be necessary to address these issues.
41 The joint standing committees may each report out a bill to the First Regular Session of
42 the 128th Legislature based on the report. The Public Utilities Commission may not
43 contract for a new solar distributed generation resource pursuant to Title 35-A, sections
44 3477 to 3479 if it is to be sited on farmland designated as "prime farmland" or "farmland

1 of statewide importance" by the United States Department of Agriculture until 90 days
 2 after the First Regular Session of the 128th Legislature.

3 **Sec. 9. Appropriations and allocations.** The following appropriations and
 4 allocations are made.

5 **AGRICULTURE, CONSERVATION AND FORESTRY, DEPARTMENT OF**
 6 **Geological Survey Z237**

7 Initiative: Provides funds to hire a consultant to assist the department in preparing a
 8 report related to solar distributed generation resources proposed to be built on certain
 9 farmland.

10	GENERAL FUND	2015-16	2016-17
11	All Other	\$0	\$10,000
12			
13	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$10,000</u>

14	AGRICULTURE, CONSERVATION AND		
15	FORESTRY, DEPARTMENT OF		
16	DEPARTMENT TOTALS	2015-16	2016-17
17			
18	GENERAL FUND	\$0	\$10,000
19			
20	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$10,000</u>

21 **PUBLIC UTILITIES COMMISSION**

22 **Public Utilities - Administrative Division 0184**

23 Initiative: Establishes one Utility Analyst - Public Services Coordinator III position and
 24 one Staff Attorney - Public Services Coordinator III position.

25	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
26	POSITIONS - LEGISLATIVE COUNT	0.000	2.000
27	Personal Services	\$0	\$203,946
28	All Other	\$0	\$11,372
29			
30	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$215,318</u>

31	PUBLIC UTILITIES COMMISSION		
32	DEPARTMENT TOTALS	2015-16	2016-17
33			
34	OTHER SPECIAL REVENUE FUNDS	\$0	\$215,318

1			
2	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$215,318
3			
4			
5	SECTION TOTALS	2015-16	2016-17
6	GENERAL FUND	\$0	\$10,000
7	OTHER SPECIAL REVENUE FUNDS	\$0	\$215,318
8			
9	SECTION TOTAL - ALL FUNDS	\$0	\$225,318

10 **SUMMARY**

11 This amendment is the majority report of the committee. This amendment does the
12 following.

13 1. It corrects cross-references in the bill to other sections within the bill and corrects
14 terminology for consistency.

15 2. It clarifies language regarding rates and the rate adjustment mechanism as they
16 relate to the residential and small business segment.

17 3. It clarifies that existing net energy customers may enter into contracts even if they
18 exceed the facility size limitations in the bill for a residential and small business
19 distributed generation resource.

20 4. It changes the time frame for program review of the residential and small business
21 segment to one year or when 14 megawatts of capacity have been installed, whichever is
22 earlier, instead of 18 months or 21 megawatts as in the bill.

23 5. It changes the reporting date on the program review from the Second Regular
24 Session of the 129th Legislature to the First Regular Session of the 129th Legislature.

25 6. It requires the Department of Agriculture, Conservation and Forestry to submit a
26 report to the joint standing committee of the Legislature having jurisdiction over energy
27 and utilities matters and the joint standing committee of the Legislature having
28 jurisdiction over agricultural matters that evaluates what actions can be taken to ensure
29 that any new solar distributed generation resource procured pursuant to the Maine
30 Revised Statutes, Title 35-A, sections 3477 to 3479 on "prime farmland" or "farmland of
31 statewide importance" is designed, built and decommissioned in a manner that retains
32 topsoil and enables the farmland to be returned to agricultural use. Each committee is
33 authorized to report out a bill to the First Regular Session of the 128th Legislature based
34 on the report.

35 7. It prohibits the Public Utilities Commission from contracting for new solar

1 distributed generation resources to be sited on farmland designated as "prime farmland"
2 or "farmland of statewide importance" until 90 days after the First Regular Session of the
3 128th Legislature.

4 8. It adds an appropriations and allocations section.

5 **FISCAL NOTE REQUIRED**

6 **(See attached)**