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ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE
SENATE
129TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " " to S.P. 457, L.D. 1494, Bill, "An Act To Reform Maine's Renewable Portfolio Standard"

Amend the bill in section 1 in §3210 by inserting after subsection 1 the following:

'1-A. State goals for consumption of electricity from renewable resources. The State's goals for increasing consumption of electricity in the State that comes from renewable resources are as follows:

A. By January 1, 2030, 80% of retail sales electricity in the State will come from renewable resources; and

B. By January 1, 2050, 100% of retail sales electricity in the State will come from renewable resources.'

Amend the bill in section 1 in §3210 in subsection 2 in paragraph A-1 in the last line (page 1, line 28 in L.D.) by striking out the following: "subsection 3-A" and inserting the following: 'subsection subsections 3-A, 3-B and 3-C'

Amend the bill in section 1 in §3210 in subsection 2 by adding after paragraph A-1 the following:

'A-2. "Class I resource" means a new renewable capacity resource.

A-3. "Class IA resource" means a Class I resource other than a Class I resource that for at least 2 years was not operated or was not recognized by the New England independent system operator as a capacity resource and, after September 1, 2005, resumed operation or was recognized by the New England independent system operator as a capacity resource.'

Amend the bill in section 1 in §3210 in subsection 2 in paragraph B in the first line (page 1, line 29 in L.D.) by inserting after the following: " "Eligible resource" " the following: 'or "Class II resource" '

Amend the bill in section 1 in §3210 in subsection 2 by striking out all of paragraphs B-4 and B-5 (page 2, lines 14 to 38 and page 3, lines 1 to 16 in L.D.) and inserting the following:

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1 'B-4. "New" as applied to ~~any~~ a renewable capacity resource means qualified  
2 hydroelectric output or a renewable capacity resource that:

3 (1) Has an in-service date after September 1, 2005;

4 (2) Was added to an existing facility after September 1, 2005;

5 (3) For at least 2 years was not operated or was not recognized by the New  
6 England independent system operator as a capacity resource and, after September  
7 1, 2005, resumed operation or was recognized by the New England independent  
8 system operator as a capacity resource. For the purposes of this subparagraph,  
9 "capacity resource" has the same meaning as in section 3210-C, subsection 1,  
10 paragraph A; or

11 (4) Was refurbished after September 1, 2005 and ~~is operating beyond its~~  
12 ~~previous useful life or is employing an alternate technology that significantly~~  
13 ~~increases the efficiency of the generation process.~~ received certification from the  
14 commission:

15 (a) Before September 1, 2019 that it is operating beyond its previous useful  
16 life or is employing an alternate technology that significantly increases the  
17 efficiency of the generation process; or

18 (b) On or after September 1, 2019 that it is operating beyond its previous  
19 useful life as evidenced by a finding that the facility would be reasonably  
20 likely to cease operation if not for substantial capital investment made after  
21 September 1, 2018, except for capital investment required to meet state and  
22 federal fish passage standards.

23 For the purposes of this subparagraph, "refurbished" means an investment has  
24 been made in equipment or facilities, other than for routine maintenance and  
25 repair, to renovate, reequip or restore the renewable capacity resource.

26 ~~For the purposes of this paragraph, "capacity resource" has the same meaning as in~~  
27 ~~section 3210-C, subsection 1, paragraph A. For the purposes of this paragraph, "to~~  
28 ~~refurbish" means to make an investment in equipment or facilities, other than for~~  
29 ~~routine maintenance and repair, to renovate, reequip or restore the renewable capacity~~  
30 ~~resource.~~

31 B-5. "Qualified hydroelectric output" means the following annual percentages of the  
32 total electrical output of a hydroelectric generator licensed by the Federal Energy  
33 Regulatory Commission that is a renewable capacity resource and that on January 1,  
34 2019 had a total nameplate capacity of at least 25 megawatts, as specified in the  
35 license issued by the Federal Energy Regulatory Commission, is located outside of  
36 the historic freshwater range of the Gulf of Maine distinct population segment of  
37 Atlantic salmon as defined by the National Oceanic and Atmospheric Administration,  
38 National Marine Fisheries Service in 74 Federal Register, 29299 (2009) and 29343  
39 (2009), and is interconnected to an electric distribution system located in the State:

40 (1) In 2020, 40%, not to exceed an aggregate of 200,000 megawatt-hours for all  
41 qualified hydroelectric output;

- 1           (2) In 2021, 50%, not to exceed an aggregate of 250,000 megawatt-hours for all  
2           qualified hydroelectric output;
- 3           (3) In 2022, 60%, not to exceed an aggregate of 300,000 megawatt-hours for all  
4           qualified hydroelectric output;
- 5           (4) In 2023, 70%;
- 6           (5) In 2024, 80%;
- 7           (6) In 2025, 90%; and
- 8           (7) In 2026 and each year thereafter, 100%.'

9           Amend the bill in section 1 in §3210 in subsection 2 by striking out all of paragraph  
10          D (page 3, lines 33 to 38 and page 4, lines 1 to 5 in L.D.) and inserting the following:

11          'D. "Thermal energy" means heat, steam, hot water or another form of thermal  
12          energy:

- 13           (1) Produced directly by a facility using sunlight, biomass, biogas or liquid  
14           biofuel or produced as a byproduct of electricity generated by a Class I or Class  
15           IA resource;
- 16           (2) That begins operation after June 30, 2019, as certified by the commission;
- 17           (3) Delivered to an end user in the State in a manner that can be verified by  
18           metering or other means certified by the commission to allow for auditable  
19           validation of useful thermal energy generated;
- 20           (4) Used for heating, cooling, humidity control, process use or other end use to  
21           meet a need of the end user that would otherwise be met using another energy  
22           source such as electricity or an on-site thermal energy system; and
- 23           (5) Generated or delivered in accordance with any efficiency performance  
24           standards established by the commission.'

25          Amend the bill in section 1 in §3210 by striking out all of subsections 3, 3-A, 3-B and  
26          4 (page 4, lines 15 to 39, page 5, lines 1 to 40, page 6, lines 1 to 41 and page 7, lines 1 to  
27          6 in L.D.) and inserting the following:

28          **'3. Portfolio requirements; Class II resources.** As a condition of licensing  
29          pursuant to section 3203, each competitive electricity provider in this State must  
30          demonstrate in a manner satisfactory to the commission that no less than 30% of its  
31          portfolio of supply sources for retail electricity sales in this State is accounted for by  
32          eligible Class II resources. If a competitive electricity provider represents to a customer  
33          that the provider is selling to the customer a portfolio of supply sources that includes  
34          more than 30% eligible Class II resources, the resources necessary to supply more than  
35          30% of that customer's load may not be applied to meet the aggregate 30% portfolio  
36          requirement. Rules adopted under this subsection are major substantive rules pursuant to  
37          Title 5, chapter 375, subchapter ~~H-A~~ 2-A.

38          A. For the purposes of meeting the portfolio requirement under this subsection, a  
39          300% multiplier is applied to the output of a generator fueled by municipal solid

1 waste in conjunction with recycling that has obtained a solid waste facility license  
2 from the Department of Environmental Protection.

3 This paragraph is repealed January 1, 2025.

4 **3-A. Portfolio requirements; Class I resources.** Portfolio requirements for ~~new~~  
5 ~~renewable capacity~~ Class I resources are governed by this subsection.

6 A. Except as provided in paragraph B, beginning January 1, 2008, as a condition of  
7 licensing pursuant to section 3203, each competitive electricity provider in this State  
8 must demonstrate in a manner satisfactory to the commission that the percentage of  
9 its portfolio of supply sources for retail electricity sales in this State accounted for by  
10 ~~new renewable capacity~~ Class I resources is as follows:

- 11 (1) One percent for the period from January 1, 2008 to December 31, 2008;
- 12 (2) Two percent for the period from January 1, 2009 to December 31, 2009;
- 13 (3) Three percent for the period from January 1, 2010 to December 31, 2010;
- 14 (4) Four percent for the period from January 1, 2011 to December 31, 2011;
- 15 (5) Five percent for the period from January 1, 2012 to December 31, 2012;
- 16 (6) Six percent for the period from January 1, 2013 to December 31, 2013;
- 17 (7) Seven percent for the period from January 1, 2014 to December 31, 2014;
- 18 (8) Eight percent for the period from January 1, 2015 to December 31, 2015;
- 19 (9) Nine percent for the period from January 1, 2016 to December 31, 2016; and
- 20 (10) Ten percent for the period from January 1, 2017 to December 31, 2022 and  
21 each year thereafter.

22 ~~New renewable capacity~~ Class I resources used to satisfy the requirements of this  
23 paragraph may not be used to satisfy the requirements of subsection 3 or 3-B.

24 B. Suspensions of scheduled increases in the portfolio requirements as provided in  
25 paragraph A are governed by this paragraph.

26 (1) If by March 31st of the years 2010, 2012, 2014 and 2016 the commission  
27 determines that investment in ~~new renewable capacity~~ Class I resources in the  
28 preceding 2 calendar years has not been sufficient for competitive electricity  
29 providers to meet the portfolio requirements under paragraph A and that the  
30 resulting use of renewable energy credits pursuant to subsection 8 or the  
31 alternative compliance payment mechanism pursuant to subsection 9, or both of  
32 these methods, has burdened electricity customers in the State without providing  
33 the benefits of ~~new renewable capacity~~ Class I resources, the commission may  
34 suspend all or some of the future scheduled increases in the portfolio  
35 requirements under paragraph A.

36 (2) If the commission finds that alternative compliance payments are made  
37 pursuant to subsection 9 in 3 consecutive calendar years, the commission shall

1 temporarily suspend all or some of the future scheduled increases in the portfolio  
2 requirements under paragraph A.

3 (3) If the commission suspends any scheduled increases in the portfolio  
4 requirements under paragraph A pursuant to subparagraph (1) or (2), the  
5 commission may resume increases, limited to no more than one percentage point  
6 per year over the previous year, in the portfolio requirements after a minimum of  
7 one year.

8 C. No later than March 31, 2008 and annually thereafter, the commission shall  
9 submit a report regarding the status of ~~new renewable capacity~~ Class I resources in  
10 the State and compliance with the portfolio requirements under paragraph A to the  
11 joint standing committee of the Legislature having jurisdiction over utilities and  
12 energy matters. The report must include, but is not limited to, a description of ~~new~~  
13 ~~renewable capacity~~ Class I resources available to meet the portfolio requirements  
14 under paragraph A, documentation of the loss of any existing renewable generation  
15 capacity in the State, the status of implementation of the ~~new renewable capacity~~  
16 ~~resources~~ portfolio requirements under paragraph A, including any suspensions  
17 pursuant to paragraph B, and recommendations to stimulate investment in ~~new~~  
18 ~~renewable capacity~~ Class I resources.

19 D. Retail electricity sales pursuant to a supply contract or standard-offer service  
20 arrangement executed by a competitive electricity provider that is in effect on the  
21 effective date of this subsection is exempt from the requirements of this subsection  
22 until the end date of the current term of the supply contract or standard-offer service  
23 arrangement.

24 The commission shall adopt rules to implement this subsection. Rules adopted under this  
25 subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

26 **3-B. Portfolio requirements; Class IA resources.** Portfolio requirements for Class  
27 IA resources are governed by this subsection.

28 A. Except as provided in paragraph B, beginning January 1, 2020, as a condition of  
29 licensing pursuant to section 3203, each competitive electricity provider in this State  
30 must demonstrate in a manner satisfactory to the commission that the percentage of  
31 its portfolio of supply sources for retail electricity sales in this State, other than to  
32 customers who have made an election pursuant to subsection 10 that is in effect with  
33 respect to this subsection, accounted for by Class IA resources is as follows:

34 (1) Two and one-half percent for the period from January 1, 2020 to December  
35 31, 2020;

36 (2) Five percent for the period from January 1, 2021 to December 31, 2021;

37 (3) Eight percent for the period from January 1, 2022 to December 31, 2022;

38 (4) Eleven percent for the period from January 1, 2023 to December 31, 2023;

39 (5) Fifteen percent for the period from January 1, 2024 to December 31, 2024;

40 (6) Nineteen percent for the period from January 1, 2025 to December 31, 2025;

1 (7) Twenty-three percent for the period from January 1, 2026 to December 31,  
2 2026;

3 (8) Twenty-seven percent for the period from January 1, 2027 to December 31,  
4 2027;

5 (9) Thirty-one percent for the period from January 1, 2028 to December 31,  
6 2028;

7 (10) Thirty-five percent for the period from January 1, 2029 to December 31,  
8 2029; and

9 (11) Forty percent for the period from January 1, 2030 to December 31, 2030  
10 and each year thereafter.

11 Class IA resources used to satisfy the requirements of this paragraph may not be used  
12 to satisfy the requirements of subsection 3 or 3-A.

13 B. Suspensions of scheduled increases in the portfolio requirements as provided in  
14 paragraph A are governed by this paragraph.

15 (1) If by March 31st of the year 2022 and every 2 years thereafter the  
16 commission determines that investment in Class IA resources in the preceding 2  
17 calendar years has not been sufficient for competitive electricity providers to  
18 meet the portfolio requirements under paragraph A and that the resulting use of  
19 renewable energy credits pursuant to subsection 8 or the alternative compliance  
20 payment mechanism pursuant to subsection 9, or both of these methods, has  
21 burdened electricity customers in the State without providing the benefits of new  
22 Class IA resources, the commission may suspend all or some of the future  
23 scheduled increases in the portfolio requirements under paragraph A.

24 (2) If the commission finds that more than 10% of the obligations required to  
25 satisfy the portfolio requirements for Class IA resources under paragraph A are  
26 met through alternative compliance payments made pursuant to subsection 9 in 3  
27 consecutive calendar years, the commission shall temporarily suspend all or some  
28 of the future scheduled increases in the portfolio requirements under paragraph  
29 A.

30 (3) If the commission suspends any scheduled increases in the portfolio  
31 requirements under paragraph A pursuant to subparagraph (1) or (2), the  
32 commission shall report its rationale for suspension to the joint standing  
33 committee of the Legislature having jurisdiction over energy and utilities matters,  
34 the Governor's Energy Office and the Office of the Public Advocate and make  
35 recommendations for modifications to the schedule of increases. The commission  
36 may resume increases, limited to no more than one percentage point per year over  
37 the previous year, in the portfolio requirements after a minimum of one year  
38 unless otherwise directed by the Legislature.

39 C. No later than March 31, 2021 and annually thereafter, the commission shall  
40 submit a report regarding the status of Class IA resources in the State and compliance  
41 with the portfolio requirements under paragraph A to the joint standing committee of

1           the Legislature having jurisdiction over utilities and energy matters. The report must  
2           include, but is not limited to, a description of Class IA resources available to meet the  
3           portfolio requirements under paragraph A, documentation of the loss of any existing  
4           renewable generation capacity in the State, the status of implementation of the  
5           portfolio requirements under paragraph A, including any suspensions pursuant to  
6           paragraph B, and recommendations to stimulate investment in Class IA resources. If  
7           the commission has reliable information about benefits and costs of the portfolio  
8           requirements under paragraph A, over both the short and long terms with respect to  
9           the State's economy, environmental quality or electricity consumers, the commission  
10           shall include that information in the report. The report required under this paragraph  
11           may be submitted in conjunction with the report required under subsection 3-A,  
12           paragraph C.

13           D. Retail electricity sales pursuant to a supply contract or standard-offer service  
14           arrangement executed by a competitive electricity provider that is in effect on the  
15           effective date of this subsection are exempt from the requirements of this subsection  
16           until the end date of the existing term of the supply contract or standard-offer service  
17           arrangement.

18           The commission shall adopt rules to implement this subsection. Rules adopted under this  
19           subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

20           **3-C. Portfolio requirements; thermal renewable energy credits.** Each  
21           competitive electricity provider must, in addition to meeting the other portfolio  
22           requirements of subsections 3, 3-A and 3-B, demonstrate in a manner satisfactory to the  
23           commission that it has purchased thermal renewable energy credits in an amount at least  
24           equal to the following percentages of its portfolio of supply sources for retail electricity  
25           sales in this State other than to customers who have made an election pursuant to  
26           subsection 10 that is in effect with respect to this subsection:

27           A. For calendar year 2021, 0.4%;

28           B. For calendar year 2022, 0.8%;

29           C. For calendar year 2023, 1.2%;

30           D. For calendar year 2024, 1.6%;

31           E. For calendar year 2025, 2%;

32           F. For calendar year 2026, 2.4%;

33           G. For calendar year 2027, 2.8%;

34           H. For calendar year 2028, 3.2%;

35           I. For calendar year 2029, 3.6%; and

36           J. For calendar year 2030, and each year thereafter, 4%.

37           ~~**4. Report.** In view of property tax benefits, developments in other states and the~~  
38           ~~development of a market for tradable credits for satisfying eligible resource requirements,~~  
39           ~~the commission shall review the 30% portfolio requirement and make a recommendation~~  
40           ~~for any change to the joint standing committee of the Legislature having jurisdiction over~~  
41           ~~utilities and energy matters no later than 5 years after the beginning of retail competition.'~~

1 Amend the bill in section 1 in §3210 in subsection 8 in the 2nd line (page 7, line 24 in  
2 L.D.) by striking out the following: "3 and 3-A" and inserting the following: '3 ~~and~~, 3-A,  
3 3-B and 3-C'

4 Amend the bill in section 1 in §3210 by striking out all of subsection 9 (page 7, lines  
5 32 to 42 and page 8, lines 1 to 8 in L.D.) and inserting the following:

6 **9. Alternative compliance payment.** The commission shall allow competitive  
7 electricity providers to satisfy the portfolio requirements for ~~new renewable capacity~~  
8 Class I resources under subsection 3-A, Class IA resources under subsection 3-B and  
9 thermal renewable energy credits under subsection 3-C through an alternative compliance  
10 payment mechanism in accordance with this subsection.

11 A. The commission shall set the alternative compliance payment rate by rule, which  
12 may not be greater than \$50, and shall publish the alternative compliance payment  
13 rate by January 31st of each year. In setting the rate, the commission shall take into  
14 account prevailing market prices, standard-offer service prices for electricity, reliance  
15 on alternative compliance payments to meet the requirements of ~~subsection~~  
16 subsections 3-A, 3-B and 3-C and investment in ~~new renewable capacity resources~~  
17 Class I and Class IA resources and thermal renewable energy credits in the State  
18 during the previous calendar year.

19 B. The commission shall collect alternative compliance payments made by  
20 competitive electricity providers and shall deposit all funds collected under this  
21 paragraph in the Energy Efficiency and Renewable Resource Fund established under  
22 section 10121, subsection 2 to be used to fund research, development and  
23 demonstration projects relating to renewable energy technologies and to fund rebates  
24 for cost-effective renewable energy technologies.

25 The commission shall adopt rules to implement this subsection. Rules adopted under this  
26 subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

27 **10. Transmission or subtransmission customer options.** A customer receiving  
28 service at a transmission or subtransmission voltage level, referred to in this subsection as  
29 "a large customer," may make an election under this subsection relating to Class IA  
30 resources portfolio requirements under subsection 3-B, the thermal renewable energy  
31 credit requirements under subsection 3-C and the costs and benefits resulting from Class  
32 IA resource contracts under section 3210-G. The election must be made no later than  
33 December 31, 2019. If a large customer makes an election under this paragraph, the  
34 following provisions apply.

35 A. With respect to Class IA resources portfolio requirements under subsection 3-B  
36 and the thermal renewable energy credit requirements under subsection 3-C:

37 (1) The election applies through December 31, 2027, unless rescinded earlier in  
38 accordance with this subsection. The customer may rescind an election in  
39 accordance with paragraph C. If the customer does not rescind an election in  
40 accordance with paragraph C, the customer may rescind its election solely with  
41 respect to Class IA resources portfolio requirements under subsection 3-B and the  
42 thermal renewable energy credit requirements under subsection 3-C by providing  
43 notice to the commission. The election with respect to Class IA resources  
44 portfolio requirements under subsection 3-B and the thermal renewable energy

1 credit requirements under subsection 3-C is rescinded 6 months after the date of  
2 notice provided under this subparagraph. After December 31, 2027, the election  
3 with respect to Class IA resources portfolio requirements under subsection 3-B  
4 and the thermal renewable energy credit requirements under subsection 3-C is  
5 automatically terminated; and

6 (2) As long as the election remains in effect:

7 (a) All retail sales of electricity to that customer are exempt from the  
8 requirements of subsections 3-B and 3-C; and

9 (b) No electricity generation or renewable energy credits produced by the  
10 customer may be used or applied to satisfy the requirements of subsection  
11 3-B or 3-C.

12 B. With respect to the costs and benefits resulting from Class IA resource contracts  
13 under section 3210-G:

14 (1) The election may not be rescinded except as provided in paragraph C.  
15 Except as provided in paragraph C, if a large customer makes an election under  
16 this subsection, the commission shall ensure that the customer:

17 (a) Does not pay any costs or receive any savings that the commission  
18 determines to result from contracts approved under section 3210-G; and

19 (b) Is not allowed to bid on any solicitation or obtain a contract under any  
20 procurement under section 3210-G.

21 C. A large customer may rescind an election in accordance with this paragraph. In  
22 order to rescind an election under this paragraph, the customer must provide notice to  
23 the commission no later than 30 days after the commission initiates the 2nd  
24 solicitation under section 3210-G. An election is rescinded 6 months after the date of  
25 notice provided under this paragraph. If an election is rescinded under this  
26 paragraph, it is rescinded with respect to Class IA resources portfolio requirements  
27 under subsection 3-B, the thermal renewable energy credit requirements under  
28 subsection 3-C and the costs and benefits resulting from Class IA resource contracts  
29 under section 3210-G, except that with respect to contracts under section 3210-G that  
30 are approved pursuant to the first solicitation before December 31, 2020, the  
31 commission shall continue to ensure that the customer does not pay any costs or  
32 receive any savings that the commission determines to result from those contracts, for  
33 the duration of those contracts.

34 The commission shall review and report on the use of the election allowed under this  
35 subsection as part of its annual report on Class IA resource portfolio requirements under  
36 subsection 3-B, paragraph C. No later than January 1, 2027, the joint standing committee  
37 of the Legislature having jurisdiction over energy and utilities matters shall review the  
38 elections that have been made under this subsection and examine whether the December  
39 31, 2027 date established in paragraph A, subparagraph (1) should be extended. The  
40 committee may report out a bill relating to the subject matter of this subsection to the  
41 First Regular Session of the 133rd Legislature.

1           **11. Report; Class IA resource and thermal renewable energy credit portfolio**  
2 **requirements.** By March 31, 2024 and every 5 years thereafter, the commission shall  
3 submit a report to the joint standing committee of the Legislature having jurisdiction over  
4 energy matters based on a review, conducted in consultation with the Governor's Energy  
5 Office, of the status and impacts of the implementation of the portfolio requirements for  
6 Class IA resources under subsection 3-B and thermal renewable energy credits under  
7 subsection 3-C. The review must be completed through a public process and must include  
8 consideration of impacts of these renewable portfolio requirements on energy prices and  
9 assessment of benefits on greenhouse gas emissions and the economy of the State. The  
10 report required under this subsection may be submitted in conjunction with the report  
11 required under subsection 3-A, paragraph C. After reviewing the report required under  
12 this subsection, the committee may report out legislation regarding renewable portfolio  
13 requirements.'

14           Amend the bill by striking out all of section 2 and inserting the following:

15           'Sec. 2. **35-A MRSA §3210-G** is enacted to read:

16           **§3210-G. Renewable portfolio standard procurement**

17           The commission shall direct investor-owned transmission and distribution utilities to  
18 enter into one or more contracts for energy or renewable energy credits from Class IA  
19 resources in accordance with this section. Customers who have made an election  
20 pursuant to section 3210, subsection 10 are subject to prohibitions on bidding on or  
21 obtaining a contract under this section as provided in section 3210, subsection 10. For  
22 purposes of this section, "Class IA resource" and "renewable energy credit" have the  
23 same meanings as in section 3210, subsection 2.

24           **1. Competitive procurement.** The commission shall conduct 2 competitive  
25 solicitations in order to select Class IA resources for contracts under this section.

26           A. Through competitive solicitations under this section, the commission shall  
27 procure an amount of energy or renewable energy credits from Class IA resources  
28 that is equal to 14% of retail electricity sales in this State for the period from January  
29 1, 2018 to December 31, 2018, as determined by the commission.

30           (1) The commission shall initiate a first competitive solicitation and ensure that  
31 solicitation results in the approval of contracts by December 31, 2020 for energy  
32 or renewable energy credits equal to at least 7% of retail electricity sales for the  
33 period from January 1, 2018 to December 31, 2018, as determined by the  
34 commission. If the commission determines that contracts for an amount greater  
35 than 7% of retail electricity sales will provide financial benefits to ratepayers, it  
36 may approve contracts by December 31, 2020 for up to 10% of retail electricity  
37 sales.

38           (2) No later than January 15, 2021, the commission shall initiate a 2nd  
39 competitive solicitation for an amount of energy or renewable energy credits  
40 equal to the difference between 14% of retail electricity sales and the amount  
41 approved in contracts by December 31, 2020.

42           B. To the extent sufficient resources are available, 75% of the energy or renewable  
43 energy credits contracted under this section must come from Class IA resources that

1 begin commercial operations after June 30, 2019 and 25% must come from Class IA  
2 resources that began commercial operations on or prior to June 30, 2019.

3 C. In conducting a solicitation and selecting Class IA resources for contracts under  
4 this section, the commission shall weigh the benefits to ratepayers and the benefits to  
5 the State's economy as follows:

6 (1) A weight of 70% must be given to the benefits to ratepayers; and

7 (2) A weight of 30% must be given to benefits to the economy, which may  
8 include, but are not limited to:

9 (a) Capital investments by the Class IA resource to improve long-term  
10 viability of an existing facility;

11 (b) Payments by the Class IA resource for the harvest of wood fuel;

12 (c) Employment resulting from the Class IA resource;

13 (d) Payments by the Class IA resource to a host community, whether or not  
14 required by law or rule;

15 (e) Excise, income, property and sales taxes paid by the Class IA resource;

16 (f) Purchases of goods and services by the Class IA resource; and

17 (g) Avoided emissions resulting from the operation of the Class IA resource.

18 D. The commission shall, in accordance with this paragraph, allow energy storage  
19 systems to participate in solicitations or be awarded contracts under this section.

20 (1) The commission shall permit an energy storage system to bid on solicitations  
21 or to be contracted under this section only if the energy storage system is  
22 connected to the State's electricity grid, paired as a complementary resource with  
23 a Class IA resource and either:

24 (a) Colocated with the Class IA resource, whether metered jointly with or  
25 separately from the Class IA resource; or

26 (b) Located at a different location from the Class IA resource and the  
27 commission finds that inclusion of the energy storage system would result in  
28 a reduction in greenhouse gas emissions.

29 (2) A bid under this section that includes an energy storage system must include  
30 2 separate bid proposals, one with the energy storage system and one without.  
31 The commission shall assess the bid proposals based on the benefits to  
32 ratepayers, which may include, but are not limited to:

33 (a) Reduction in costs;

34 (b) Decrease in peak electricity demand;

35 (c) Deferral of investments in the transmission and distribution system;

36 (d) Deferral of capital investments in new generating capacity;

1                   (e) Increase in the electricity grid's overall flexibility, reliability and  
2                   resiliency; and

3                   (f) Reduction in greenhouse gas emissions.

4                   (3) An energy storage system that is not colocated with a Class IA resource may  
5                   receive renewable energy credits only for stored energy generated from a Class  
6                   IA resource.

7                   (4) If chosen for a contract under this section, an energy storage system must  
8                   remain stationary and under the same ownership throughout the contract term.

9                   (5) The commission may permit an energy storage system to be paired with and  
10                  added to a Class IA resource after that resource has been awarded a contract.

11                  For the purposes of this paragraph, "energy storage system" means a commercially  
12                  available technology that uses mechanical, chemical or thermal processes for  
13                  absorbing energy and storing it for a period of time for use at a later time.

14                  **2. Contract terms.** A contract entered into pursuant to this section must be for a  
15                  term of 20 years, unless the commission finds a contract for a longer term to be prudent.  
16                  If a Class IA resource offers to sell capacity, the commission may allow a contract with  
17                  that resource to include the purchase of such capacity, but the commission may not  
18                  require any Class IA resource to offer or sell capacity in order to participate in any  
19                  solicitation or contract under this section.

20                  **3. Report.** No later than March 31, 2023 and biennially thereafter, the commission  
21                  shall submit a report regarding the status of contracts for Class IA resources under this  
22                  section to the joint standing committee of the Legislature having jurisdiction over utilities  
23                  and energy matters. The report must include, but is not limited to, a description of Class  
24                  IA resources participating in competitive solicitations, information about the resources  
25                  selected for contracts and the selection process, the benefits and costs of the contracts and  
26                  recommendations about how to further stimulate investment in Class IA resources or  
27                  achieve ratepayer benefits from Class IA resources. The report may include information  
28                  about benefits and costs of the contracts to the State's economy, environmental quality or  
29                  electricity consumers over both the short and long terms. Any analysis of the benefits or  
30                  costs of the contracts must be based on a forecast of all avoided costs resulting from the  
31                  contracts that is transparent and balanced over the long term.

32                  **Sec. 3. Study; report; renewable energy goals market assessment.** The  
33                  Governor's Office of Policy and Management and the Governor's Energy Office shall  
34                  jointly conduct a market assessment study, including an in-depth analysis and review of  
35                  the opportunities, potential and challenges facing the State in reaching the goal by  
36                  January 1, 2030 that 80% of retail electricity sales in this State will come from renewable  
37                  energy resources, and shall, no later than January 31, 2021, submit a report on the market  
38                  assessment study, along with any recommendations on adjustments or changes to the  
39                  renewable portfolio requirements in the Maine Revised Statutes, Title 35-A, section 3210,  
40                  to the joint standing committee of the Legislature having jurisdiction over energy and  
41                  utilities matters.

42                  1. The market assessment study must include, but is not limited to, examination of:

1 A. The availability of commercially viable renewable energy technologies, including  
2 emerging technologies, in the State and region between 2020 and 2030;

3 B. The estimated electricity costs and benefits for ratepayers and the capacity of  
4 commercially viable renewable energy technologies during the 10-year period  
5 between 2020 and 2030, including the remaining useful lives of existing technology  
6 in use during that period;

7 C. The time frames for permitting, financing and construction for commercially  
8 viable renewable technologies in the State and region;

9 D. The policy and regulatory options and structures that may influence the speed,  
10 predictability and cost to ratepayers associated with the development of renewable  
11 energy technologies in this State and the amount of renewable energy generated;

12 E. Policies and regulations in other states and the region, including an analysis of the  
13 dynamics between and among the various states, provinces and this State, and the  
14 importance and role of generating 80% of electricity from renewable capacity  
15 resources in achieving the greenhouse reduction limits in Title 38, chapter 3-A in a  
16 cost-effective manner; and

17 F. In coordination with the Department of Environmental Protection, the benefits and  
18 costs of incentives provided to generators fueled by municipal solid waste, landfill  
19 gas facilities and anaerobic digestion facilities under the State's renewable portfolio  
20 requirements. The examination must also consider and make recommendations for  
21 further alignment between renewable energy and solid waste policy initiatives.

22 2. Upon written request of the Governor's Office of Policy and Management or the  
23 Governor's Energy Office, the Public Utilities Commission shall provide for the study:

24 A. Reasonable technical, legal and other assistance, including the provision of  
25 requested information; and

26 B. Funding for staff and consultants in an amount not to exceed \$150,000. Any such  
27 costs must be recovered through assessments on transmission and distribution utilities  
28 in accordance with Title 35-A, section 116.

29 3. The Governor's Office of Policy and Management and the Governor's Energy  
30 Office shall encourage state agencies, including the Office of the Public Advocate, and  
31 other interested parties to submit relevant information, including data, to inform the  
32 market assessment study. Not more than 60 days prior to issuance of the report required  
33 by this section, the offices shall invite interested parties to provide comments on draft  
34 proposed conclusions of the study.

35 **Sec. 4. Appropriations and allocations.** The following appropriations and  
36 allocations are made.

37 **PUBLIC UTILITIES COMMISSION**

38 **Public Utilities - Administrative Division 0184**

39 Initiative: Provides an allocation for consulting services related to the analysis of the  
40 economic benefit of renewable portfolio requirements and the procurement of renewable  
41 energy.

1	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2019-20</b>	<b>2020-21</b>
2	All Other	\$300,000	\$300,000
3			
4	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$300,000</b>	<b>\$300,000</b>
5			

6 Amend the bill by relettering or renumbering any nonconsecutive Part letter or  
7 section number to read consecutively.

8 **SUMMARY**

9 This amendment makes the following changes to the bill.

- 10 1. It adds state goals for consumption of electricity from renewable resources.
- 11 2. It updates renewable portfolio requirement terminology to use the terms "Class I"  
12 and "Class II," which are the terms used in practice and in agency rules.
- 13 3. It clarifies certain definitions in the bill.
- 14 4. It creates a Class IA renewable resource portfolio requirement and removes the  
15 increased requirements for Class I resources that are in the bill; the new Class IA  
16 requirement combined with the existing Class I requirement preserves the overall  
17 increase in requirements to 50% by 2030 that is in the bill.
- 18 5. It applies a 300% multiplier for the output of a generator fueled by municipal solid  
19 waste in conjunction with recycling in Class II.
- 20 6. It delays by one year the portfolio requirements for thermal renewable energy  
21 credits in the bill.
- 22 7. It extends the alternative compliance payment policy to Class IA resources and  
23 thermal renewable energy credit requirements, and establishes a maximum alternative  
24 compliance payment rate of \$50 for Class I, Class IA and thermal renewable energy  
25 credits.
- 26 8. It creates options for electricity customers that receive service at the transmission  
27 or subtransmission voltage level to elect to opt out of Class IA resource portfolio  
28 requirements and thermal renewable energy credit requirements and the costs and  
29 benefits resulting from long-term contracts for Class IA resources.
- 30 9. It requires the Public Utilities Commission to submit a report by March 31, 2024  
31 and every 5 years thereafter regarding the status and impacts of implementing the  
32 portfolio requirements for Class IA resources and thermal renewable energy credits.
- 33 10. It amends the long-term contracting provisions in the bill to require 2 competitive  
34 solicitations for contracts with Class IA resources to procure, in total, an amount of  
35 energy or renewable energy credits equal to 14% of retail electricity sales in the State  
36 during calendar year 2018. It also adds language to allow energy storage systems to be  
37 awarded long-term contracts when paired as a complementary resource with a Class IA  
38 resource.

