



# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 1061

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H.P. 744

House of Representatives, March 16, 2017

### **An Act To Increase Investment and Regulatory Stability in the Electric Industry**

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

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative PIERCE of Dresden.  
Cosponsored by Senator SAVIELLO of Franklin and  
Representatives: DeCHANT of Bath, FREDETTE of Newport, TUCKER of Brunswick,  
WADSWORTH of Hiram, Senators: CARPENTER of Aroostook, CUSHING of Penobscot,  
VITELLI of Sagadahoc, WOODSOME of York.

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

2 **Sec. 1. 35-A MRSA §3210-C, sub-§1, ¶F-1** is enacted to read:

3 F-1. "Term sheet" means a preliminary document that outlines the terms of a  
4 proposal accepted under a request for proposals that is not binding on the parties but  
5 assists the parties in drafting a final agreement based upon the accepted proposal.

6 **Sec. 2. 35-A MRSA §3210-C, sub-§3**, as amended by PL 2013, c. 424, Pt. A,  
7 §20, is further amended to read:

8 **3. Commission authority.** The commission may direct investor-owned  
9 transmission and distribution utilities to enter into long-term contracts for:

10 A. Capacity resources;

11 B. Any available energy associated with capacity resources contracted under  
12 paragraph A:

13 (1) To the extent necessary to fulfill the policy of subsection 2, paragraph A; or

14 (2) If the commission determines appropriate for purposes of supplying or  
15 lowering the cost of standard-offer service or otherwise lowering the cost of  
16 electricity for the ratepayers in the State. Available energy contracted pursuant to  
17 this subparagraph may be sold into the wholesale electricity market in  
18 conjunction with solicitations for standard-offer supply bids; ~~and~~

19 C. Any available renewable energy credits associated with capacity resources  
20 contracted under paragraph A. The price paid by the investor-owned transmission  
21 and distribution utility for the renewable energy credits must be lower than the price  
22 received for those renewable energy credits at the time they are sold by the  
23 investor-owned transmission and distribution utility; and

24 D. Regional procurement of transmission infrastructure, capacity resources, energy  
25 or renewable energy credits.

26 The commission may permit, but may not require, investor-owned transmission and  
27 distribution utilities to enter into contracts for differences that are designed and intended  
28 to buffer ratepayers in the State from potential negative impacts from transmission  
29 development. To the greatest extent possible, the commission shall develop procedures  
30 for long-term contracts for investor-owned transmission and distribution utilities under  
31 this subsection having the same legal and financial effect as the procedures used for  
32 standard-offer service pursuant to section 3212 for investor-owned transmission and  
33 distribution utilities.

34 The commission may enter into contracts for interruptible, demand response or energy  
35 efficiency capacity resources. These contracts are not subject to the rules of the State  
36 Purchasing Agent. In a competitive solicitation conducted pursuant to subsection 6, the  
37 commission shall allow transmission and distribution utilities to submit bids for  
38 interruptible or demand response capacity resources.

39 Capacity resources contracted under this subsection may not exceed the amount  
40 necessary to ensure the reliability of the electric grid of this State, to meet the energy

1 efficiency program budget allocations articulated in the triennial plan as approved by the  
2 commission pursuant to section 10104, subsection 4 or any annual update plan approved  
3 by the commission pursuant to section 10104, subsection 6 or to lower customer costs as  
4 determined by the commission pursuant to rules adopted under subsection 10.

5 Unless the commission determines the public interest requires otherwise, a capacity  
6 resource may not be contracted under this subsection unless the commission determines  
7 that the capacity resource is recognized as a capacity resource for purposes of any  
8 regional or federal capacity requirements.

9 The commission shall ensure that any long-term contract authorized under this subsection  
10 is consistent with the State's goals for greenhouse gas reduction under Title 38, section  
11 576 and the regional greenhouse gas initiative as described in the state climate action plan  
12 required in Title 38, section 577.

13 By January 1st of each year, the commission shall submit an annual report to the joint  
14 standing committee of the Legislature having jurisdiction over energy and utilities  
15 matters on the procurement of capacity resources, energy and renewable energy credits in  
16 the preceding 12 months that the procurement is consistent with the State's goals for  
17 greenhouse gas reduction. The report under this subsection must contain information  
18 including, but not limited to, the number of requests for proposals by the commission for  
19 long-term contracts under this subsection, the number of responses to requests for  
20 proposals, the number of executed term sheets or contracts resulting from the requests for  
21 proposals and the number of megawatts produced through contracts under this subsection.  
22 The report must also include a plan for the succeeding 12 months pertaining to the  
23 procurement of capacity resources, energy and renewable energy credits, including dates  
24 for requests for proposals, types of resources and anticipated dates of executions of  
25 contracts.

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

27 **§3405. Rules**

28 The commission may adopt rules to carry out the purposes of this chapter. Rules  
29 adopted pursuant to this section are major substantive rules as defined by Title 5, chapter  
30 375, subchapter 2-A.

31 **Sec. 4. 35-A MRSA §3452, sub-§5** is enacted to read:

32 **5. Rules.** Rules to implement this section are major substantive rules as defined by  
33 Title 5, chapter 375, subchapter 2-A.

34 **Sec. 5. 35-A MRSA §3457, last ¶**, as enacted by PL 2007, c. 661, Pt. A, §7, is  
35 amended to read:

36 Rules adopted pursuant to this section are ~~routine technical~~ major substantive rules as  
37 defined in Title 5, chapter 375, subchapter 2-A.

38 **Sec. 6. Stakeholder group.** The Department of Environmental Protection shall  
39 convene a stakeholder group regarding the effect of expedited wind energy development  
40 on scenic character and existing uses pursuant to the Maine Revised Statutes, Title 12,

1 section 685-B, subsection 4 or Title 38, section 480-D or section 484, subsection 3. By  
2 December 6, 2017, the stakeholder group may issue a report of its findings, including  
3 recommended legislation, to the Joint Standing Committee on Energy, Utilities and  
4 Technology.

5 **SUMMARY**

6 This bill does the following.

7 1. It gives the Public Utilities Commission authority to direct investor-owned  
8 transmission and distribution utilities to enter into long-term contracts for regional  
9 procurement of capacity resources, energy or renewable energy credits.

10 2. It requires the Public Utilities Commission to issue an annual report on the  
11 procurement of capacity resources, energy and renewable energy credits in the preceding  
12 12 months with a plan for the succeeding 12 months that is consistent with the State's  
13 goals for greenhouse gas reduction.

14 3. It requires certain rules adopted under the expedited permitting of grid-scale wind  
15 energy development provisions to be major substantive rules.

16 4. It allows a property owner to request that the owner's property be included as an  
17 expedited permitting area for grid-scale wind energy development.

18 5. It requires rules in determining the effects of grid-scale wind energy development  
19 on scenic character and related existing uses to be major substantive rules.

20 6. It directs the Department of Environmental Protection to convene a stakeholder  
21 group regarding the effect of expedited wind energy on scenic character and existing  
22 uses, which may issue a report of its findings, including recommended legislation, to the  
23 Joint Standing Committee on Energy, Utilities and Technology.