

An Act To Require Prompt and Effective Use of the Renewable Energy Resources of Northern Maine

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

Sec. 1. 35-A MRSA §3210-H is enacted to read:

§3210-H. Northern Maine Renewable Energy Development Program

1. Program established. The Northern Maine Renewable Energy Development Program, referred to in this section as "the program," is established to remove obstacles to the use of and to promote development of the substantial renewable energy resources in northern Maine to benefit all of Maine. For purposes of this section, the term "northern Maine" means the areas of the State in Aroostook, Piscataquis, and Washington Counties that are not connected to the electric grid operated by the New England independent system operator, referred to in this section as "the ISO-New England system."

A. The commission shall administer the program in accordance with this section and shall ensure that it accounts for the program and its purposes to advance the energy and climate policies of the State, including but not limited to:

(1) Encourage the rapid development of renewable resources in northern Maine to achieve greenhouse gas emissions reductions in the State and realize direct and near-term economic benefits in northern Maine to the benefit of all of Maine.

(2) Create the transmission infrastructure necessary for the State of Maine to be certain it will be able to meet its climate goals expeditiously with Maine renewable energy resources, to the extent practicable.

(3) Transition the State of Maine's mandated renewable energy purchases, in the Commission's discretion, to approve and order contracts for the purchase of renewable energy, capacity and renewable energy credits or any combination thereof that will fit most effectively over the duration of the approved and ordered contracts with the changing seasonal, time of day and other Maine electricity usage characteristics likely to occur in beneficial electrification.

(4) Promote energy equity with particular consideration given to the economic circumstances and opportunities in the State's socially vulnerable counties and communities. For the purposes of this subparagraph, "socially vulnerable counties and communities" means those counties and communities in the State containing populations that are disproportionately burdened by existing social inequities or lack the capacity to withstand new or worsening burdens; and

(5) Take into account that in meeting the State's energy and climate objectives, creating the infrastructure necessary to avoid emissions in the nearer term better satisfies the public interest than does infrastructure created in the longer term.

2. Request for proposals; generation connection line. The commission shall issue a request for proposals for the development and construction of a 345-kilovolt double circuit generation connection line, or, in the commission's discretion, a transmission line or lines of greater capacity, to connect renewable energy resources located in northern Maine and developed pursuant to subsection 3 with the electric grid operated by the ISO-New England system.

A. The proposals must be required to cover a contract term of 30 years, except that the commission may, in its discretion, approve a contract term longer or shorter than 30 years, and must include

130th Maine Legislature
An Act To Require Prompt and Effective Use of the Renewable Energy Resources of Northern Maine
L.D. 1710 (Sponsor's Amendment)

provisions for the construction, development and subsequent commercial operation of the line or lines described in this subsection.

B. The commission shall evaluate the proposals received based, at a minimum, on the following factors: cost, economic benefit to northern Maine, the qualifications of the bidder or bidders the long-term viability of each proposal and the anticipated contribution of each proposal toward the achievement by the State of its renewable energy goals. The commission shall disqualify any proposal that, in the commission's determination, fails to demonstrate the bidder's technical and financial capacity to successfully construct, develop and operate the line or lines described in this subsection and to pursue, negotiate and contract for its interconnection with the ISO-New England system.

C. The commission shall give preference to proposals that, in the commission's determination, demonstrate the most cost-effective and efficient transmission access to renewable energy resources in northern Maine in a manner that best supports the achievement of the State's renewable energy goals. The commission shall give preference to proposals favoring use, to the extent practicable, of existing ~~utility and other~~ rights of way, including assuring their availability to meet these public needs, and other existing transmission corridors in the construction of the line or lines described in this subsection. The commission shall give preference to proposals that provide certainty as to costs and will provide a reduction in transmission cost and energy rate payer costs as more generation is transmitted over the transmission line or lines.

D. The commission may consider- ~~with no preference~~, and, in accordance with the applicable provisions of this subsection and subsection 3, select a proposal or proposals that include both the development and construction of the line or lines described in this subsection and the development and construction of one or more qualified renewable energy generation projects described in subsection 3. In any case, the commission shall direct one or more investor-owned transmission and distribution utilities to enter into a contract or contracts with qualified 3rd parties pursuant to any proposal if selected by the commission in accordance with this subsection.

E. No later than May 1, 2022, the commission shall approve a contract or contracts between one or more transmission and distribution utilities and the bidder of any proposal selected by the commission in accordance with this subsection, except that, if at the close of the competitive bidding process the commission determines that no proposal meets the requirements of this subsection, the commission may reopen a new competitive bidding process under this subsection.

F. The bidder of any proposal selected by the commission in accordance with this subsection, shall be eligible to become a public utility. As such, the selected bidder, as a joint use entity, may petition the commission pursuant to 35-A M.R.S. § 711 for an order requiring other joint use entities to allow joint use of its rights of way for reasonable compensation and on reasonable terms and conditions. Such joint use petition may be filed with the commission separately or concurrently with the certificate of public convenience and necessity for a proposed transmission line.

3. Request for proposals; renewable energy generation projects. The commission shall issue a request for proposals for the development and construction of qualified renewable energy generation projects in northern Maine designed to connect to and transmit generated power using the line or lines to be constructed pursuant to subsection 2. The commission shall make every effort to ensure that the competitive bidding process directed by this subsection results in the approval of contracts pursuant to paragraph E no later than September 1, 2022. The commission shall provide relevant information from the approved transmission line bidders proposals to the generation bidders in order to facilitate accurate pricing and a competitive bidding process. Except as provided in paragraph B, subparagraph (2), renewable energy

generation projects on which construction commenced prior to September 30, 2022 are not qualified for the purposes of this subsection.

A. The proposals must be required to cover a contract term of 20 years, except that the commission may, in its discretion, approve a contract term longer than 20 years, and must include provisions for the construction, development and subsequent commercial operation of one or more qualified renewable energy generation projects in northern Maine that will be designed to connect to and transmit generated power using the line or lines to be constructed pursuant to subsection 2. The commission may consider only proposals for the construction of the following categories of qualified renewable energy generation projects: solar arrays and installations; wind power installations; geothermal installations; hydroelectric generation projects; battery energy storage systems; biomass generators fueled by wood or wood waste, by landfill gas or by anaerobic digestion of agricultural products, by-products or waste; and waste-to-energy generation facilities fueled by municipal solid waste.

B. The commission may, in its discretion, consider and select in accordance with the applicable requirements of this subsection:

(1) One or more contracts for capacity, energy or renewable energy credits, or any combination thereof, from a qualified renewable energy generation project described in this subsection, or

(2) One or more contracts for renewable energy generation projects on which construction commenced prior to January 1, 2022, if the commission determines that:

(a) Such a project otherwise meets the requirements of this subsection;

(b) Additional line capacity remains available on the line or lines to be constructed pursuant to subsection 2; and

(c) There are no commercially viable proposals remaining for consideration for qualified renewable energy generation projects on which construction commenced or will commence on or after September 30, 2022.

C. The commission shall evaluate the proposals received based, at a minimum, on the following factors: cost, economic benefit to northern Maine, the qualifications of the bidder or bidders and, as determined by the commission, the short-term, medium-term and long-term viability of the proposal.

D. The commission shall give greatest preference to proposals that, in the commission's determination, demonstrate the most cost-effective and efficient development of renewable energy resources in northern Maine in a manner that best supports the achievement of the State's climate and renewable energy goals.

E. The commission shall direct one or more investor-owned transmission and distribution utilities to enter into a contract or contracts with qualified 3rd parties pursuant to any proposal selected by the commission in accordance with this subsection, except that the total generating capacity of the projects contracted by the commission pursuant to this subsection may not exceed the thermal limit of the line or lines to be constructed pursuant to subsection 2. If at the close of the competitive bidding process the commission determines that no proposal meets the requirements of this subsection or that additional line capacity remains available, the commission may open a new competitive bidding process under this subsection.

F. In selecting contracts pursuant to this subsection, the commission shall make every effort to ensure that at least one such contract supports the construction and development in northern Maine of a biomass generator fueled by wood or wood waste. In considering any proposal under this subsection for a qualified renewable energy generation project that is a biomass generator fueled by wood or wood waste, the commission shall consider the waste reduction benefits, including avoided methane emissions, to the State's forest products industry associated with the operation of the generator.

4. Commission Discretion to Approve and Order Contracts. Notwithstanding any other provision of law, the Commission in its discretion may approve and order into effect contracts for the purchase of renewable energy, capacity and renewable energy credits or any combination thereof for 20 year or longer periods for delivery beginning not earlier than 2024 in an amount at least 18% and up to 22% of the State of Maine's retail electric load in 2019. The Commission may approve and order such contracts in its discretion to begin delivery of electricity on a staggered basis consistent with the Commission's expectations for the development of beneficial electrification and State of Maine climate mitigation during the years 2024-2045. The Commission shall, to the extent practicable, ensure the purchase of renewable energy from facilities indigenous to the State of Maine and the Gulf of Maine adequate to accomplish beneficial electrification.

5. Regional electric grid integration and development. The commission, in implementing and administering the program under this section, and the Office of the Public Advocate shall:

A. Make every effort to facilitate the construction and development of the line or lines described in subsection 2, including, but not limited to, participating in any regional or federal proceeding relating to the line or lines; and

B. Participate in proceedings involving the inclusion or integration of the line or lines described in subsection 2 and any associated upgrades by the New England Power Pool as defined in section 4103, or its successor as approved by the Federal Energy Regulatory Commission, and the ISO-New England system into the ISO-New England system's transmission plan, bulk power system and pool transmission facilities, as that term is defined in the ISO-New England system's open access transmission tariff.

The commission, the Office of the Public Advocate and the Office of the Attorney General may, separately or in combination, obtain any technical or legal assistance necessary to ensure regional and federal interconnection and grid reliability standards are not employed directly or indirectly to discourage the development of the renewable energy resources of northern Maine under the program.

SUMMARY