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An Act To Establish a Process for Procurement of Renewable Resources

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

Sec. 1. 35-A MRSA §3218 is enacted to read:

§ 3218. Renewable resource; competitive solicitation

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

- A. "New" has the same meaning as in section 3210-C, subsection 1, paragraph C.
- B. "NMISA region" is the northern Maine transmission system and electric power markets in Aroostook and Washington counties administered by a nonprofit entity.
- C. "Renewable capacity resource" has the same meaning as in section 3210, subsection 2, paragraph B-3.
- D. "Renewable resource" means:

(1) A renewable capacity resource; or

(2) A source of electrical generation that was eligible in calendar year 2015 for electric renewable portfolio requirements in Connecticut, New Hampshire, Massachusetts and Rhode Island as determined by the commission.

2. Solicitation and contract negotiation. The commission shall conduct a competitive solicitation and negotiate the procurement of:

- A. No later than September 1, 2016, through an expedited proceeding, 80 megawatts of new or existing renewable resources for contracts with a term of 5 years; and
- B. No later than September 1, 2017, 60 megawatts of new or existing renewable resources for contracts of no longer than 10 years.

A contract negotiated under this subsection must provide that the energy may be delivered into the ISO-NE region, as defined in section 1902, subsection 3, or in the NMISA region, either on a physical or financial basis.

3. Review and selection of renewable resources. In conducting the competitive solicitation and contract negotiation under subsection 2, the commission shall select renewable resources that have the highest likelihood of providing benefits, including, but not limited to, benefits to ratepayers, in-state economic benefits such as permanent direct jobs, payments to municipalities, payments for fuel and resource access, in-state purchases of goods and services, construction-related jobs and purchases, greenhouse gas benefits, fuel diversity benefits, grid reliability benefits and investment that may improve the long-term economic viability of the State.

4. Cost recovery. The commission shall ensure that all costs and direct financial benefits associated with contracts entered into under this section are allocated to ratepayers in a manner similar to section 3210-F. A price differential existing at any time during the term of the contract between the contract price and the prevailing market price at which the renewable resource is sold or any gains or losses derived from contracts for differences must be reflected in the amounts charged to ratepayers and may not be considered imprudent.

5. Zero greenhouse gas emissions. A facility that generates new or existing renewable resources that are procured pursuant to this section is deemed to produce zero greenhouse gas emissions.

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

SUMMARY

This bill is reported out by the Joint Standing Committee on Energy, Utilities and Technology pursuant to Joint Order 2016, Senate Paper 668. This bill directs the Public Utilities Commission to conduct competitive solicitations and negotiate the procurement of new or existing renewable resources. The commission is directed to procure by September 1, 2016, through an expedited proceeding, 80 megawatts of new or existing renewable resources for contracts of 5 years and, by September 1, 2017, 60 megawatts of new or existing renewable resources for contracts of no longer than 10 years. This bill provides that any facility that generates new or existing renewable resources that are procured by the commission is deemed to produce zero greenhouse gas emissions.

The committee has not taken a position on the substance of this bill. By reporting this bill out, the committee is not suggesting and does not intend to suggest that it agrees or disagrees with any aspect of this bill. The committee is reporting the bill out for the sole purpose of having a bill printed that can be referred to the committee for an appropriate public hearing and subsequent processing in the normal course. The committee is taking this action to ensure clarity and transparency in the legislative review of the proposals contained in the bill.