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An Act To Establish the Manufacturing Jobs Energy Program

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

Sec. 1. 35-A MRSA §3601, as enacted by PL 2009, c. 329, Pt. A, §4, is amended to read:

§ 3601.Short title

This chapter may be known and cited as "the Community-based Renewable and Manufacturing Jobs Energy Act."

Sec. 2. 35-A MRSA §3602, sub-§3-B is enacted to read:

3-B. Manufacturing jobs energy project. "Manufacturing jobs energy project" means an energy project that is established on or after the effective date of this subsection with installed megawatt capacity from renewable energy that is generated from combined heat and power, including biomass energy from manufacturing residues.

Sec. 3. 35-A MRSA §3602, sub-§4, as enacted by PL 2009, c. 329, Pt. A, §4, is amended to read:

4. Program participant. "Program participant" means a community-based renewable energy project that is participating in the community-based renewable energy pilot program established in section 3603 or the manufacturing jobs energy program established in section 3603-A.

Sec. 4. 35-A MRSA §3603-A is enacted to read:

§ 3603-A. Manufacturing jobs energy program

1. Program established. The manufacturing jobs energy program, referred to in this section as "the program," is established to encourage growth of forest products and wood manufacturing jobs that result in installed megawatt capacity from renewable energy that is generated from combined heat and power, including biomass energy from manufacturing residues. The program is administered by the commission.

2. Program scope; limits on generating capacity. The commission shall limit participation in the program in accordance with this subsection.

A. The net generating capacity of a manufacturing jobs energy project may not exceed 10 megawatts.

B. The total net generating capacity of all manufacturing jobs energy projects combined may not exceed 30 megawatts.

3. Program eligibility criteria. To be eligible to participate in the program, a manufacturing jobs energy project must:

- A. Be connected to the electric grid of the State;
- B. Have an in-service date after January 1, 2018;
- C. Demonstrate growth in a reasonably timely manner of 3 manufacturing jobs per installed megawatt capacity. For the purposes of this paragraph, "manufacturing job" means a job, performed for consideration, involving the mechanical, physical or chemical transformation of materials, substances or components into a new forest product;
- D. Satisfy the limits on generating capacity established in subsection 2; and
- E. Notwithstanding section 3602, subsection 5, be located within the State and incur tax liability to the State.

The commission shall prescribe an application form or procedure that must be used to apply to the program. The application form or procedure must include any information that the commission determines necessary for the purpose of administering the program. The commission shall, within 30 days of receipt of a completed application, determine whether the applicant qualifies to participate in the program and respond in writing.

4. Program incentives. Subject to the requirements of subsection 2, a program participant may elect one of the following program incentives:

- A. A long-term contract for energy pursuant to section 3604, subsection 5-A; or
- B. The renewable energy credit multiplier pursuant to section 3605.

5. Tracking job growth and biennial report. The commission shall develop and administer a system to register and track the development of manufacturing jobs energy projects and, beginning in 2019, biennially by January 15th shall report to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters on the program. The report must include, but is not limited to:

- A. Documentation of the progress of manufacturing jobs energy development, including the number of manufacturing jobs energy projects in the State, the generating capacity of those projects and the kilowatt-hours of electricity purchased from manufacturing jobs energy projects; and
- B. Actions taken by the commission to implement the program, an assessment of the effectiveness of the program with respect to encouraging the sustainable development of manufacturing jobs energy in the State and recommendations, including any necessary implementing legislation, to improve the program.

6. Job growth accountability. If manufacturing jobs are eliminated as a result of final closure of operations at the primary location in the State of a program participant, the commission may rescind that program participant's long-term contract pursuant to section 3604, subsection 5-A or cease the benefit of the renewable energy credit multiplier pursuant to section 3605.

Sec. 5. 35-A MRSA §3604, first ¶, as enacted by PL 2009, c. 329, Pt. A, §4, is amended to read:

Long-term contracts with program participants who elect the long-term contract for community-based renewable energy pursuant to section 3603, subsection 4, paragraph A or section 3603-A, subsection 4, paragraph A are governed by this section.

[PL 2009, c. 329, Pt. A, § 4 (NEW).]

Sec. 6. 35-A MRSA §3604, sub-§5, as enacted by PL 2009, c. 329, Pt. A, §4, is amended to read:

5. Contract pricing; cost containment. ~~The~~Except for long-term contracts entered into pursuant to section 3603-A, subsection 4, paragraph A, the commission shall ensure that in any contract entered into pursuant to this section:

- A. The average price per kilowatt-hour within each contract year does not exceed 10¢; and
- B. The cost of the contract does not exceed the cost of the project plus a reasonable rate of return on investment as determined by the commission.

Sec. 7. 35-A MRSA §3604, sub-§5-A is enacted to read:

5-A. Contract pricing; cost containment in manufacturing jobs energy program.

For long-term contracts entered into under the manufacturing jobs energy program pursuant to section 3603-A, subsection 4, paragraph A, the commission shall ensure that:

- A. The average price per kilowatt-hour within each contract year is a figure in the best interest of ratepayers considering market conditions and the purposes of the manufacturing jobs energy program; and
- B. The cost of the contract does not exceed the cost of the project plus a reasonable rate of return on investment as determined by the commission.

Sec. 8. 35-A MRSA §3605, as enacted by PL 2009, c. 329, Pt. A, §4, is amended to read:

§ 3605. Renewable energy credit multiplier

The renewable energy credit multiplier is governed by this section. The value of a renewable energy credit for electricity generated by a program participant that elects the renewable energy credit multiplier under section 3603, subsection 4, paragraph B or section 3603-A, subsection 4, paragraph B is 150% of the amount of the electricity. When a program participant elects the renewable energy credit multiplier, the multiplier must be accounted for when renewable energy credits are used to satisfy the portfolio requirements of section 3210, subsections 3 and 3-A.

Sec. 9. 35-A MRSA §3608, as enacted by PL 2009, c. 329, Pt. A, §4, is amended to read:

§ 3608. Regulatory approvals; use of public resources

1. Regulatory approval. The development, siting and operation of a community-based renewable energy project or manufacturing jobs energy project is subject to all applicable regulatory reviews and approvals required by governmental entities, including, but not limited to, municipalities and state agencies, pursuant to law, ordinance or rule.

2. Use of publicly owned land, water or facilities. Nothing in this chapter limits the authority of the State or a political subdivision of the State to use publicly owned land, water or facilities in the development and operation of a community-based renewable energy project or manufacturing jobs energy project or to lease publicly owned land, water or facilities to other qualifying owners for the development and operation of a community-based renewable energy project or manufacturing jobs energy project.

Sec. 10. 35-A MRSA §3610, as enacted by PL 2015, c. 232, §4, is amended to read:

§ 3610. Project deadline; completion deadline

~~The~~Except for orders and contracts related to a manufacturing jobs energy project, the commission may not issue an order after December 31, 2015 directing an investor-owned transmission and distribution utility to enter into a long-term contract under this chapter nor allow a consumer-owned transmission and distribution utility to enter into a long-term contract under this chapter. All community-based renewable energy projects that have been selected for a long-term contract must become operational and commence generating electricity by December 31, 2018.

SUMMARY

This bill establishes the manufacturing jobs energy program to encourage growth of forest products and wood manufacturing jobs tied to installed megawatt capacity from new renewable energy from combined heat and power, including biomass energy from manufacturing residues. The program is administered by the Public Utilities Commission.