

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Expand Community-based Solar Energy in Maine

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

Sec. 1. 35-A MRSA §3210-C, sub-§3-A is enacted to read:

3-A. Long-term contracts for community-based solar resources. The commission shall direct investor-owned transmission and distribution utilities to enter into long-term contracts for community-based solar resources located within the service territories of the utilities in accordance with this subsection. For the purposes of this subsection, "community-based solar resource" means a new renewable capacity resource located within the State that relies on solar photovoltaic arrays to generate electricity and is community-based, as defined by the commission by rule.

A. The commission shall direct investor-owned transmission and distribution utilities to procure up to 100 megawatts from community-based solar resources through long-term contracts. The commission shall ensure that at least 20% of resources procured under this subsection are procured through long-term contracts with community-based solar resources with a nameplate capacity of less than 2 megawatts.

B. The commission shall, by rule, establish provisions to protect the interests of customers of investor-owned transmission and distribution utilities over the term of the contracts entered into pursuant to this subsection.

C. A community-based solar resource is eligible for long-term contracting under this subsection if the community-based solar resource and its owners meet at least the following requirements:

(1) The resource has a nameplate capacity of no more than 10 megawatts;

(2) The resource has an in-service date of no earlier than June 30, 2020 and no later than December 31, 2021;

(3) Ownership of the resource is at least 75% accounted for by qualified owners. For the purposes of this subparagraph, "qualified owner" means a resident of the State or a business, corporation or other entity that is at least 75% owned by residents of the State; and

(4) The owners of the resource provide documentation to the commission that:

(a) Demonstrates completion of an interconnection agreement application with the local transmission and distribution utility;

(b) Includes a plan to obtain all required federal, state and local permits and approvals for the resource;

(c) Demonstrates financial capability to operate the resource over the term of the contract;

(d) Includes a letter or resolution of support from the local community in which the resource is located; and

(e) Outlines expected economic benefits from the long-term contract to the local community in which the resource is located.

D. Long-term contracts under this subsection must be for a term of at least 20 years. The contract rate must be less than 9 cents per kilowatt-hour, and the rate must be fixed for a period of at least 20 years. Contracts may be for energy or capacity. The contracts may also include renewable energy credits, or the owners of the community-based solar resource may retain the renewable energy credits associated with the resource, as determined by the owners.

E. Available energy contracted for pursuant to this subsection must be sold into the wholesale electricity market in conjunction with solicitations for standard-offer supply bids in a manner that ensures that the energy is incorporated into the standard offer.

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

SUMMARY

This bill requires the Public Utilities Commission to direct investor-owned transmission and distribution utilities to enter into long-term contracts with community-based solar photovoltaic energy generating facilities. The total amount of resources procured through these long-term contracts may not exceed 100 megawatts, and 20% of resources procured must come from generators with a capacity of less than 2 megawatts. The bill requires the commission to establish provisions to protect the interests of utility customers over the term of the contracts.

The bill sets forth eligibility requirements for community-based solar resources to enter into long-term contracts. To be eligible, a resource must have a capacity of no more than 10 megawatts, have an in-service date between June 30, 2020 and December 31, 2021 and meet local ownership requirements. In addition, to be eligible, the owners of the resource must:

1. Demonstrate to the Public Utilities Commission completion of an interconnection agreement application with the local transmission and distribution utility;
2. Include a plan to obtain all required federal, state and local permits and approvals;
3. Demonstrate financial capability to operate the resource over the term of the contract;

4. Include a letter or resolution of support from the local community in which the resource is located;
and

5. Outline expected economic benefits from the long-term contract to the local community in which the resource is located.

The bill establishes a minimum contract length of 20 years and requires the contract rate to be less than 9 cents per kilowatt-hour and fixed for a period of at least 20 years. Contracts may be for energy or capacity. The contracts may also include renewable energy credits, or the owners of the resource may retain the renewable energy credits associated with the resource, as determined by the owners. Finally, the bill specifies that available energy contracted for under the provisions of this bill must be sold into the wholesale electricity market in conjunction with solicitations for standard-offer supply bids.