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Legislative Document

No. 1632

S.P. 586

In Senate, June 7, 2017

An Act To Establish the Manufacturing Jobs Energy Program

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

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator DILL of Penobscot. (GOVERNOR'S BILL)
Cosponsored by Representative STANLEY of Medway and
Senators: CARPENTER of Aroostook, DAVIS of Piscataquis, JACKSON of Aroostook.

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

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

4 **§3601. Short title**

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

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

8 **3-B. Manufacturing jobs energy project.** "Manufacturing jobs energy project"
9 means an energy project that is established on or after the effective date of this subsection
10 with installed megawatt capacity from renewable energy that is generated from combined
11 heat and power, including biomass energy from manufacturing residues.

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

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

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

19 **§3603-A. Manufacturing jobs energy program**

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

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

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

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

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

33 A. Be connected to the electric grid of the State;

34 B. Have an in-service date after January 1, 2018;

1 C. Demonstrate growth in a reasonably timely manner of 3 manufacturing jobs per
2 installed megawatt capacity. For the purposes of this paragraph, "manufacturing job"
3 means a job, performed for consideration, involving the mechanical, physical or
4 chemical transformation of materials, substances or components into a new forest
5 product;

6 D. Satisfy the limits on generating capacity established in subsection 2; and

7 E. Notwithstanding section 3602, subsection 5, be located within the State and incur
8 tax liability to the State.

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

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

16 A. A long-term contract for energy pursuant to section 3604, subsection 5-A; or

17 B. The renewable energy credit multiplier pursuant to section 3605.

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

23 A. Documentation of the progress of manufacturing jobs energy development,
24 including the number of manufacturing jobs energy projects in the State, the
25 generating capacity of those projects and the kilowatt-hours of electricity purchased
26 from manufacturing jobs energy projects; and

27 B. Actions taken by the commission to implement the program, an assessment of the
28 effectiveness of the program with respect to encouraging the sustainable development
29 of manufacturing jobs energy in the State and recommendations, including any
30 necessary implementing legislation, to improve the program.

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

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

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

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

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

6 A. The average price per kilowatt-hour within each contract year does not exceed
7 10¢; and

8 B. The cost of the contract does not exceed the cost of the project plus a reasonable
9 rate of return on investment as determined by the commission.

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

11 **5-A. Contract pricing; cost containment in manufacturing jobs energy**
12 **program.** For long-term contracts entered into under the manufacturing jobs energy
13 program pursuant to section 3603-A, subsection 4, paragraph A, the commission shall
14 ensure that:

15 A. The average price per kilowatt-hour within each contract year is a figure in the
16 best interest of ratepayers considering market conditions and the purposes of the
17 manufacturing jobs energy program; and

18 B. The cost of the contract does not exceed the cost of the project plus a reasonable
19 rate of return on investment as determined by the commission.

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

22 **§3605. Renewable energy credit multiplier**

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

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

32 **§3608. Regulatory approvals; use of public resources**

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

