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Legislative Document

No. 1591

S.P. 622

In Senate, April 11, 2023

An Act to Promote Economic Reuse of Contaminated Land Through Clean Energy Development

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

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BRENNER of Cumberland.
Cosponsored by Representative ZEIGLER of Montville and
Senators: BENNETT of Oxford, BLACK of Franklin, CARNEY of Cumberland,
LaFOUNTAIN of Kennebec, POULIOT of Kennebec, Representatives: BOYLE of Gorham,
CAMPBELL of Orrington, HALL of Wilton.

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

2 **Sec. 1. 35-A MRSA §3210-G, sub-§1**, as amended by PL 2021, c. 705, §14, is
3 further amended to read:

4 **1. Competitive procurement.** The commission shall conduct 2 competitive
5 solicitations in order to select Class IA resources for contracts under this ~~section~~ subsection.

6 A. Through the competitive solicitations under this ~~section~~ subsection, the commission
7 shall procure an amount of energy or renewable energy credits from Class IA resources
8 that is equal to 14% of the retail electricity sales in this State for the period from January
9 1, 2018 to December 31, 2018, as determined by the commission.

10 (1) The commission shall initiate a first competitive solicitation and ensure that
11 the solicitation results in the approval of contracts by December 31, 2020 for
12 energy or renewable energy credits equal to at least 7% of retail electricity sales
13 for the period from January 1, 2018 to December 31, 2018, as determined by the
14 commission. If the commission determines that contracts for an amount greater
15 than 7% of retail electricity sales will provide financial benefits to ratepayers, it
16 may approve contracts by December 31, 2020 for up to 10% of retail electricity
17 sales.

18 (2) No later than January 15, 2021, the commission shall initiate a 2nd competitive
19 solicitation for an amount of energy or renewable energy credits equal to the
20 difference between 14% of retail electricity sales and the amount approved in
21 contracts by December 31, 2020.

22 B. To the extent sufficient resources are available, 75% of the energy or renewable
23 energy credits contracted under this ~~section~~ subsection must come from Class IA
24 resources that begin commercial operations after June 30, 2019 and 25% must come
25 from Class IA resources that began commercial operations on or prior to June 30, 2019.

26 C. In conducting a solicitation and selecting Class IA resources for contracts under
27 this ~~section~~ subsection, the commission shall weigh the benefits to ratepayers and the
28 benefits to the State's economy as follows:

29 (1) A weight of 70% must be given to the benefits to ratepayers; and

30 (2) A weight of 30% must be given to benefits to the economy, which may include,
31 but are not limited to:

32 (a) Capital investments by the Class IA resource to improve long-term
33 viability of an existing facility;

34 (b) Payments by the Class IA resource for the harvest of wood fuel;

35 (c) Employment resulting from the Class IA resource;

36 (d) Payments by the Class IA resource to a host community, whether or not
37 required by law or rule;

38 (e) Excise, income, property and sales taxes paid by the Class IA resource;

39 (f) Purchases of goods and services by the Class IA resource;

40 (g) Avoided emissions resulting from the operation of the Class IA resource;
41 and

- 1 (h) With respect to requests for bids or proposals for assisted projects, as
2 defined in Title 26, section 1304, subsection 1-A:
- 3 (i) Whether the Class IA resource has entered into a project labor
4 agreement with a labor organization to supply construction workers in all
5 crafts needed for the assisted project where the assisted project is located.
6 For purposes of this subdivision, a project labor agreement must conform
7 to the requirements of section 3210-H, subsection 2; and
- 8 (ii) Whether an entity is employee-owned, including but not limited to an
9 entity that offers employee stock ownership plans or is structured as a
10 worker cooperative.
- 11 D. The commission shall, in accordance with this paragraph, allow energy storage
12 systems to participate in solicitations or be awarded contracts under this ~~section~~
13 subsection.
- 14 (1) The commission shall permit an energy storage system to bid on solicitations
15 or to be contracted under this ~~section~~ subsection only if the energy storage system
16 is connected to the State's electricity grid, paired as a complementary resource with
17 a Class IA resource and either:
- 18 (a) Colocated with the Class IA resource, whether metered jointly with or
19 separately from the Class IA resource; or
- 20 (b) Located at a different location from the Class IA resource and the
21 commission finds that inclusion of the energy storage system would result in a
22 reduction in greenhouse gas emissions.
- 23 (2) A bid under this ~~section~~ subsection that includes an energy storage system must
24 include 2 separate bid proposals, one with the energy storage system and one
25 without. The commission shall assess the bid proposals based on the benefits to
26 ratepayers, which may include, but are not limited to:
- 27 (a) Reduction in costs;
- 28 (b) Decrease in peak electricity demand;
- 29 (c) Deferral of investments in the transmission and distribution system;
- 30 (d) Deferral of capital investments in new generating capacity;
- 31 (e) Increase in the electricity grid's overall flexibility, reliability and resiliency;
32 and
- 33 (f) Reduction in greenhouse gas emissions.
- 34 (3) An energy storage system that is not colocated with a Class IA resource may
35 receive renewable energy credits only for stored energy generated from a Class IA
36 resource.
- 37 (4) If chosen for a contract under this ~~section~~ subsection, an energy storage system
38 must remain stationary and under the same ownership throughout the contract
39 term.
- 40 (5) The commission may permit an energy storage system to be paired with and
41 added to a Class IA resource after that resource has been awarded a contract.

1 For the purposes of this ~~paragraph~~ section, "energy storage system" means a
2 commercially available technology that uses mechanical, chemical or thermal
3 processes for absorbing energy and storing it for a period of time for use at a later time.

4 **Sec. 2. 35-A MRSA §3210-G, sub-§1-A** is enacted to read:

5 **1-A. Competitive procurement of qualified Class IA resources.** The commission
6 shall conduct one competitive solicitation in order to select Class IA resources for contracts
7 under this subsection.

8 A. The commission shall initiate a competitive solicitation under this subsection and
9 ensure that the solicitation results in the approval of contracts by December 31, 2024
10 for energy or renewable energy credits equal to 5% of the retail electricity sales in this
11 State for the period from January 1, 2021 to December 31, 2021.

12 B. The energy or renewable energy credits contracted under paragraph A must come
13 from qualified Class IA resources. For the purposes of this subsection, a "qualified
14 Class IA resource" means a Class IA resource:

15 (1) That begins commercial operations on or after September 19, 2023;

16 (2) For which any system impact studies required by the commission as a condition
17 of contracting have been initiated prior to submitting a contract bid; and

18 (3) That is located on contaminated land, which means:

19 (a) Previously developed or impacted land as defined in section 3484,
20 subsection 6; or

21 (b) Agricultural land contaminated by perfluoroalkyl and polyfluoroalkyl
22 substances as defined in Title 38, section 1614, that may no longer be used for
23 agricultural purposes as determined by the Department of Agriculture,
24 Conservation and Forestry in accordance with applicable state and federal food
25 safety standards.

26 C. In conducting a solicitation and selecting Class IA resources for contracts under this
27 subsection, the commission, in consultation with the Department of Agriculture,
28 Conservation and Forestry and the Department of Environmental Protection, shall
29 weigh the benefits to ratepayers and the benefits to the State's economy as follows:

30 (1) A weight of 70% must be given to the benefits to ratepayers; and

31 (2) A weight of 30% must be given to the economic benefits resulting from the
32 use of contaminated land as described in paragraph B, subparagraph (3).

33 In order to approve a contract for Class IA resources in accordance with this subsection,
34 the commission shall determine that the contract will provide financial benefits to
35 ratepayers and the contract price must be less than the standard-offer service rate
36 established under section 3212 in effect at the time that the approval is made by the
37 commission.

38 D. The commission shall, in accordance with this paragraph, allow energy storage
39 systems to participate in solicitations or be awarded contracts under this subsection.

40 (1) The commission shall permit an energy storage system to bid on solicitations
41 or to be contracted under this subsection only if the energy storage system is
42 connected to the State's electricity grid, paired as a complementary resource with

1 a qualified Class IA resource and colocated with the qualified Class IA resource
2 on lands described in paragraph B, subparagraph (3), whether metered jointly with
3 or separately from the qualified Class IA resource.

4 (2) A bid under this subsection that includes an energy storage system must include
5 2 separate bid proposals, one with the energy storage system and one without. The
6 commission shall assess the bid proposals based on the benefits to ratepayers,
7 which may include, but are not limited to:

8 (a) Reduction in costs;

9 (b) Decrease in peak electricity demand;

10 (c) Deferral of investments in the transmission and distribution system;

11 (d) Deferral of capital investments in new generating capacity;

12 (e) Increase in the electricity grid's overall flexibility, reliability and resiliency;
13 and

14 (f) Reduction in greenhouse gas emissions.

15 (3) If chosen for a contract under this subsection, an energy storage system must
16 remain stationary and under the same ownership throughout the contract term.

17 (4) The commission may permit an energy storage system to be paired with and
18 added to a qualified Class IA resource after that resource has been awarded a
19 contract.

20 **SUMMARY**

21 This bill establishes an additional competitive solicitation for energy or renewable
22 energy credits from qualified Class IA resources equal to 5% of retail electricity sales in
23 this State for the period from January 1, 2021 to December 31, 2021. It defines a "qualified
24 Class IA resource" as a Class IA resource that begins commercial operations on or after
25 September 19, 2023, initiates a system impact study prior to submitting a contract bid and
26 is located on land that was previously developed or impacted land or agricultural land
27 contaminated by perfluoroalkyl and polyfluoroalkyl substances that may no longer be used
28 for agricultural purposes as determined by the Department of Agriculture, Conservation
29 and Forestry or in accordance with applicable state and federal food safety laws and rules.
30 Energy storage systems are eligible to receive a contract award if the energy storage system
31 is colocated with the qualified Class IA resource on land that was previously developed or
32 impacted land or agricultural land contaminated by perfluoroalkyl and polyfluoroalkyl
33 substances that may no longer be used for agricultural purposes as determined by the
34 department or in accordance with applicable state and federal food safety laws and rules.