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ENERGY, UTILITIES AND TECHNOLOGY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 744, L.D. 1061, Bill, “An Act To Increase Investment and Regulatory Stability in the Electric Industry”

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 35-A MRS §3210-C, sub-§1, ¶F-1 is enacted to read:

F-1. "Term sheet" means a preliminary document that outlines the terms of a proposal accepted under a request for proposals that is not binding on the parties but assists the parties in drafting a final agreement based upon the accepted proposal.

Sec. 2. 35-A MRS §3210-C, sub-§3, as amended by PL 2013, c. 424, Pt. A, §20, is further amended to read:

3. Commission authority. The commission may direct investor-owned transmission and distribution utilities to enter into long-term contracts for:

A. Capacity resources;

B. Any available energy associated with capacity resources contracted under paragraph A:

(1) To the extent necessary to fulfill the policy of subsection 2, paragraph A; or

(2) If the commission determines appropriate for purposes of supplying or lowering the cost of standard-offer service or otherwise lowering the cost of electricity for the ratepayers in the State. Available energy contracted pursuant to this subparagraph may be sold into the wholesale electricity market in conjunction with solicitations for standard-offer supply bids; ~~and~~

C. Any available renewable energy credits associated with capacity resources contracted under paragraph A. The price paid by the investor-owned transmission and distribution utility for the renewable energy credits must be lower than the price received for those renewable energy credits at the time they are sold by the investor-owned transmission and distribution utility; and

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1 D. Transmission capacity, capacity resources, energy or renewable energy credits
2 pursuant to a regional procurement process in conjunction with other states.

3 The commission may permit, but may not require, investor-owned transmission and
4 distribution utilities to enter into contracts for differences that are designed and intended
5 to buffer ratepayers in the State from potential negative impacts from transmission
6 development. To the greatest extent possible, the commission shall develop procedures
7 for long-term contracts for investor-owned transmission and distribution utilities under
8 this subsection having the same legal and financial effect as the procedures used for
9 standard-offer service pursuant to section 3212 for investor-owned transmission and
10 distribution utilities.

11 The commission may enter into contracts for interruptible, demand response or energy
12 efficiency capacity resources. These contracts are not subject to the rules of the State
13 Purchasing Agent. In a competitive solicitation conducted pursuant to subsection 6, the
14 commission shall allow transmission and distribution utilities to submit bids for
15 interruptible or demand response capacity resources.

16 Capacity resources contracted under this subsection may not exceed the amount
17 necessary to ensure the reliability of the electric grid of this State, to meet the energy
18 efficiency program budget allocations articulated in the triennial plan as approved by the
19 commission pursuant to section 10104, subsection 4 or any annual update plan approved
20 by the commission pursuant to section 10104, subsection 6 or to lower customer costs as
21 determined by the commission pursuant to rules adopted under subsection 10.

22 Unless the commission determines the public interest requires otherwise, a capacity
23 resource may not be contracted under this subsection unless the commission determines
24 that the capacity resource is recognized as a capacity resource for purposes of any
25 regional or federal capacity requirements.

26 The commission shall ensure that any long-term contract authorized under this subsection
27 is consistent with the State's goals for greenhouse gas reduction under Title 38, section
28 576 and the regional greenhouse gas initiative as described in the state climate action plan
29 required in Title 38, section 577.

30 By January 1st of each year, the commission shall submit a report to the joint standing
31 committee of the Legislature having jurisdiction over energy and utilities matters on the
32 procurement of transmission capacity, capacity resources, energy and renewable energy
33 credits in the preceding 12 months under this subsection, the Community-based
34 Renewable Energy Act and deep-water offshore wind energy pilot projects under Public
35 Law 2009, chapter 615, Part A, section 6, as amended by Public Law 2013, chapter 369,
36 Part H, sections 1 and 2 and chapter 378, sections 4 to 6. The report must contain
37 information including, but not limited to, the number of requests for proposals by the
38 commission for long-term contracts, the number of responses to requests for proposals
39 pursuant to which a contract has been finalized, the number of executed term sheets or
40 contracts resulting from the requests for proposals, the commission's initial estimates of
41 ratepayer costs or savings associated with any approved term sheet, actual ratepayer costs
42 or savings for the previous year associated with any procurement, the total ratepayer costs
43 or savings at the time of the report and the megawatt-hours, renewable energy credits or
44 capacity produced or procured through contracts. The report must also include a plan for
45 the succeeding 12 months pertaining to the procurement of capacity resources, energy

1 and renewable energy credits, including dates for requests for proposals, and types of
2 resources to be procured.'

3 **SUMMARY**

4 This amendment replaces the bill. It removes the provisions of sections 3 through 6,
5 and retains the provisions of section 1, from the bill. This amendment also removes
6 language from the provisions of section 2 of the bill regarding the State's goals for
7 greenhouse gas reduction as it relates to an annual report from the Public Utilities
8 Commission to the joint standing committee of the Legislature having jurisdiction over
9 energy and utilities matters. This amendment also adds to that annual report reporting
10 requirements for the Public Utilities Commission, including information regarding the
11 Community-based Renewable Energy Act and deep-water offshore wind energy pilot
12 projects.