

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-FIVE

S.P. 738 - L.D. 1868

**An Act to Advance a Clean Energy Economy by Updating Renewable and
Clean Resource Procurement Laws**

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

Sec. 1. 35-A MRSA §3210, sub-§1, as amended by PL 1999, c. 398, Pt. I, §1, is further amended to read:

1. Policy. In order to ensure an adequate and reliable supply of electricity for Maine residents and to encourage the use of renewable, clean, efficient and indigenous resources, it is the policy of this State to encourage the generation of electricity from renewable, clean and efficient sources and to diversify electricity production on which residents of this State rely in a manner consistent with this section.

Sec. 2. 35-A MRSA §3210, sub-§1-A, ¶B, as enacted by PL 2019, c. 477, §1, is amended to read:

B. By January 1, ~~2050, 100%~~ 2040, 90% of retail sales electricity in the State will come from renewable resources and 10% of retail sales electricity in the State will come from clean resources.

Sec. 3. 35-A MRSA §3210, sub-§2, ¶A-4 is enacted to read:

A-4. "Class III resource" or "clean resource" means a source of generation that generates power that can physically be delivered to the control region in which the New England Power Pool, or its successor as approved by the Federal Energy Regulatory Commission, has authority over transmission, or to the Maritimes Control Area and:

- (1) Is a Class I resource or a Class IA resource;
- (2) Relies on a nuclear power plant or hydroelectric generator that meets all state and federal fish passage requirements applicable to the generator; or
- (3) Generates electric energy in a manner that, as determined by the Department of Environmental Protection, produces no more than a de minimis level of net greenhouse gas emissions and co-pollutant emissions at the point of generation and from the fuel supply chain of the facility and has been certified by the Governor's

Energy Office in accordance with rules adopted by the Department of Environmental Protection in accordance with this subsection.

Sec. 4. 35-A MRSA §3210, sub-§2, ¶A-5 is enacted to read:

A-5. "Clean energy credit" means a tradable instrument that represents an amount of electricity generated from an eligible Class III resource.

Sec. 5. 35-A MRSA §3210, sub-§2, as amended by PL 2019, c. 477, §1, is further amended by amending the first blocked paragraph to read:

The commission shall establish by rule or order standards and procedures necessary to implement any definition under this subsection, including but not limited to certifications and performance and verification standards necessary for purposes of paragraphs B-4, D and E, and excluding paragraphs A-4 and A-5. Rules adopted under this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

Sec. 6. 35-A MRSA §3210, sub-§2, as amended by PL 2019, c. 477, §1, is further amended by enacting at the end a new last blocked paragraph to read:

The Department of Environmental Protection, in coordination with the Governor's Energy Office, shall establish by rule standards and procedures necessary to implement the definition under paragraph A-4 and verification standards necessary for purposes of paragraph A-5. Rules adopted under this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

Sec. 7. 35-A MRSA §3210, sub-§3-B, ¶A, as enacted by PL 2019, c. 477, §1, is amended to read:

A. Except as provided in paragraph B, beginning January 1, 2020, as a condition of licensing pursuant to section 3203, each competitive electricity provider in this State must demonstrate in a manner satisfactory to the commission that the percentage of its portfolio of supply sources for retail electricity sales in this State, other than to customers who have made an election pursuant to subsection 10 that is in effect with respect to this subsection, accounted for by Class IA resources is as follows:

- (1) Two and one-half percent for the period from January 1, 2020 to December 31, 2020;
- (2) Five percent for the period from January 1, 2021 to December 31, 2021;
- (3) Eight percent for the period from January 1, 2022 to December 31, 2022;
- (4) Eleven percent for the period from January 1, 2023 to December 31, 2023;
- (5) Fifteen percent for the period from January 1, 2024 to December 31, 2024;
- (6) Nineteen percent for the period from January 1, 2025 to December 31, 2025;
- (7) Twenty-three percent for the period from January 1, 2026 to December 31, 2026;
- (8) Twenty-seven percent for the period from January 1, 2027 to December 31, 2027;
- (9) Thirty-one percent for the period from January 1, 2028 to December 31, 2028;

- (10) Thirty-five percent for the period from January 1, 2029 to December 31, 2029;
and
- (11) Forty percent for the period from January 1, 2030 to December 31, 2030 ~~and~~
each year thereafter.;
- (12) Forty-one percent for the period from January 1, 2031 to December 31, 2031;
- (13) Forty-two percent for the period from January 1, 2032 to December 31, 2032;
- (14) Forty-three percent for the period from January 1, 2033 to December 31,
2033;
- (15) Forty-four percent for the period from January 1, 2034 to December 31, 2034;
- (16) Forty-five percent for the period from January 1, 2035 to December 31, 2035;
- (17) Forty-six percent for the period from January 1, 2036 to December 31, 2036;
- (18) Forty-seven percent for the period from January 1, 2037 to December 31,
2037;
- (19) Forty-eight percent for the period from January 1, 2038 to December 31,
2038;
- (20) Forty-nine percent for the period from January 1, 2039 to December 31, 2039;
and
- (21) Fifty percent for the period from January 1, 2040 to December 31, 2040 and
each year thereafter.

Class IA resources used to satisfy the requirements of this paragraph may not be used to satisfy the requirements of subsection 3 ~~or~~ 3-A or 3-D.

Sec. 8. 35-A MRSA §3210, sub-§3-D is enacted to read:

3-D. Portfolio requirements; Class III resources. Portfolio requirements for Class III resources are governed by this subsection.

A. As a condition of licensing pursuant to section 3203, each competitive electricity provider in the State must demonstrate in a manner satisfactory to the commission that the percentage of its portfolio of supply sources for retail electricity sales in the State accounted for by Class III resources is as follows:

- (1) For calendar year 2031, 1%;
- (2) For calendar year 2032, 2%;
- (3) For calendar year 2033, 3%;
- (4) For calendar year 2034, 4%;
- (5) For calendar year 2035, 5%;
- (6) For calendar year 2036, 6%;
- (7) For calendar year 2037, 7%;
- (8) For calendar year 2038, 8%;
- (9) For calendar year 2039, 9%; and
- (10) For calendar year 2040, and each year thereafter, 10%.

Retail electricity sales pursuant to a supply contract or standard-offer service arrangement executed by a competitive electricity provider that is in effect on September 30, 2025 are exempt from the requirements of this subsection until the end date of the existing term of the supply contract or standard-offer service arrangement.

Class I or IA resources used to satisfy the requirements of this paragraph may not be used to satisfy the requirements of subsection 3 or 3-A.

B. Suspensions of scheduled increases in the portfolio requirements as provided in paragraph A are governed by this paragraph.

(1) If by March 31, 2031 and every 2 years thereafter the commission determines that investment in Class III resources in the preceding 2 calendar years has not been sufficient for competitive electricity providers to meet the portfolio requirements under paragraph A and that the resulting use of clean energy credits pursuant to subsection 8 or the alternative compliance payment mechanism pursuant to subsection 9, or both of these methods, has burdened electricity customers in the State without providing the benefits of new Class III resources, the commission may suspend all or some of the future scheduled increases in the portfolio requirements under paragraph A.

(2) If the commission finds that more than 10% of the obligations required to satisfy the portfolio requirements for Class III resources under paragraph A are met through alternative compliance payments made pursuant to subsection 9 in 3 consecutive calendar years, the commission shall temporarily suspend all or some of the future scheduled increases in the portfolio requirements under paragraph A.

(3) If the commission suspends any scheduled increases in the portfolio requirements under paragraph A pursuant to subparagraph (1) or (2), the commission shall report its rationale for suspension to the joint standing committee of the Legislature having jurisdiction over energy and utilities matters, the Governor's Energy Office and the Office of the Public Advocate and make recommendations for modifications to the schedule of increases. The commission may resume increases, limited to no more than one percentage point per year over the previous year, in the portfolio requirements after a minimum of one year unless otherwise directed by the Legislature.

C. No later than March 31, 2027 and annually thereafter, the commission shall submit a report regarding the status of Class III resources in the State and compliance with the portfolio requirements under paragraph A to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters. The report must include, but is not limited to, a description of Class III resources available to meet the portfolio requirements under paragraph A, documentation of the loss of any existing clean generation capacity in the State, the status of implementation of the portfolio requirements under paragraph A, including any suspensions pursuant to paragraph B, and recommendations to stimulate investment in Class III resources.

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

Sec. 9. 35-A MRSA §3210, sub-§7, as amended by PL 2011, c. 283, §1, is further amended to read:

7. Information. To the extent that funding is available, the commission shall inform electricity consumers in this State of the benefits of electricity generated in this State using renewable and clean resources and of the opportunities available in this State to purchase electricity that is generated using those resources, including, but not limited to, the green power offer and other green power supply products and renewable energy credit and clean energy credit products certified under section ~~3212-A~~ 3212-B. The commission may not promote any renewable or clean resources over others. The commission may apply for, receive and expend grant money from the United States Department of Energy and other government agencies for this purpose. The commission may create or cause to be created a brand or logo to identify Maine renewable and clean resources, including the green power offer and other green power supply products and renewable energy credit and clean energy credit products certified under section ~~3212-A~~ 3212-B, to consumers. The commission shall register any mark or logo created pursuant to this subsection with the United States Patent and Trademark Office or in accordance with Title 10, chapter 301-A, or both. Any brand or logo created pursuant to this subsection may only be used in accordance with the purposes of this subsection as approved by the commission.

Sec. 10. 35-A MRSA §3210, sub-§8, as amended by PL 2019, c. 477, §1, is further amended to read:

8. Credit trading. The commission shall allow competitive electricity providers to satisfy the portfolio requirements of subsections 3, 3-A, 3-B ~~and~~ 3-C and 3-D through the use of renewable energy credits and clean energy credits if the commission determines that a reliable system of electrical attribute trading exists. When renewable energy credits are used to satisfy the portfolio requirements of subsections 3 and 3-A, the value of a renewable energy credit for electricity generated by a community-based renewable energy project, as defined in section 3602, that is participating in the community-based renewable energy pilot program established in section 3603 and elects the renewable energy credit multiplier under section 3605 is 150% of the amount of the electricity.

Sec. 11. 35-A MRSA §3210, sub-§9, as amended by PL 2023, c. 306, §1 and c. 361, §2, is further amended to read:

9. Alternative compliance payment. The commission shall allow competitive electricity providers to satisfy the portfolio requirements for Class I resources under subsection 3-A, Class IA resources under subsection 3-B, thermal renewable energy credits under subsection 3-C ~~and~~ Class II resources under subsection 3 and Class III resources under subsection 3-D through an alternative compliance payment mechanism in accordance with this subsection.

A. The commission shall set the alternative compliance payment rates by rule and shall publish the alternative compliance payment rates by January 31st of each year. In setting the rates, the commission shall take into account prevailing market prices, standard-offer service prices for electricity, alignment with other New England states, reliance on alternative compliance payments to meet the requirements of subsections 3, 3-A, 3-B ~~and~~ 3-C and 3-D and investment in Class I, Class IA ~~and~~ Class II and Class III resources and thermal renewable energy credits in the State during the previous calendar year.

(1) The alternative compliance payment rate for the requirements under subsections 3-A, 3-B ~~and~~ 3-C and 3-D may not be greater than \$50.

(2) The alternative compliance payment rate for the requirement under subsection 3 may not be greater than \$10.

B. The commission shall collect alternative compliance payments to meet the requirements of subsections 3, 3-A ~~and~~ 3-B and 3-D made by competitive electricity providers and shall use all funds collected under this paragraph to provide financial assistance for low-income households in accordance with section 3214, subsection 2.

C. The commission shall collect alternative compliance payments to meet the requirements of subsection 3-C made by competitive electricity providers and shall deposit all funds collected under this paragraph in the Thermal Energy Investment Fund established under section 10128, subsection 2 to be used to fund incentives and low-interest or no-interest loans to businesses, municipalities, educational institutions and nonprofit entities in the State for the installation of new thermal energy-derived projects.

The commission shall adopt rules to implement this subsection. Rules adopted to establish the alternative compliance payment rates governed by paragraph A, subparagraphs (1) and (2) routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 12. 35-A MRSA §3210, sub-§11, as amended by PL 2023, c. 321, §1, is further amended to read:

11. Report; renewable energy credit portfolio requirements. By March 31, 2024 and every 3 years thereafter, the Governor's Energy Office shall submit a report to the joint standing committee of the Legislature having jurisdiction over energy matters based on a review, conducted in consultation with the commission, of the status and impacts of the implementation of the portfolio requirements under subsections 3, 3-A, 3-B ~~and~~ 3-C and 3-D. The review must be completed through a public process and must include consideration of impacts of these renewable portfolio requirements on energy prices and assessment of benefits, including, but not limited to, on greenhouse gas emissions and the economy of the State. After reviewing the report required under this subsection, the committee may report out legislation regarding renewable portfolio requirements.

Sec. 13. 35-A MRSA §3210-C, sub-§1, ¶A, as amended by PL 2007, c. 293, §1, is further amended to read:

A. "Capacity resource" means any renewable capacity resource, nonrenewable capacity resource, clean resource or interruptible, demand response or energy efficiency capacity resource.

Sec. 14. 35-A MRSA §3210-C, sub-§1, ¶A-2 is enacted to read:

A-2. "Clean energy credit" has the same meaning as in section 3210, subsection 2, paragraph A-5.

Sec. 15. 35-A MRSA §3210-C, sub-§1, ¶A-3 is enacted to read:

A-3. "Clean resource" has the same meaning as in section 3210, subsection 2, paragraph A-4.

Sec. 16. 35-A MRSA §3210-C, sub-§3, ¶D, as enacted by PL 2017, c. 134, §2, is repealed.

Sec. 17. 35-A MRSA §3210-C, sub-§3, ¶E is enacted to read:

E. Clean energy credits associated with clean resources. The price paid by the investor-owned transmission and distribution utility for the clean energy credits must be lower than the price received for those clean energy credits at the time they are sold by the investor-owned transmission and distribution utility.

Sec. 18. 35-A MRSA §3210-C, sub-§3, as amended by PL 2023, c. 516, Pt. B, §49, is further amended by amending the last blocked paragraph to read:

By January 1st of each year, the commission shall submit a report to the joint standing committee of the Legislature having jurisdiction over energy and utilities matters on the procurement of transmission capacity, capacity resources, energy ~~and~~, renewable energy credits ~~and clean energy credits~~ in the preceding 12 months under this subsection, ~~resources procured under section 3210-K~~ and deep-water offshore wind energy pilot projects under Public Law 2009, chapter 615, Part A, section 6, as amended by Public Law 2013, chapter 369, Part H, sections 1 and 2 and chapter 378, sections 4 to 6. The report must contain information, including, but not limited to, the number of requests for proposals by the commission for long-term contracts, the number of responses to requests for proposals pursuant to which a contract has been finalized, the number of executed term sheets or contracts resulting from the requests for proposals, the commission's initial estimates of ratepayer costs or savings associated with any approved term sheet, actual ratepayer costs or savings for the previous year associated with any procurement, the total ratepayer costs or savings at the time of the report and the megawatt-hours, renewable energy credits, clean energy credits or capacity produced or procured through contracts. The report must include actual ratepayer costs or savings for the previous year associated with any contract executed under the Community-based Renewable Energy Act. The report must also include a plan for the succeeding 12 months pertaining to the procurement of capacity resources, energy ~~and~~, renewable energy credits ~~and clean energy credits~~, including dates for requests for proposals, and types of resources to be procured.

Sec. 19. 35-A MRSA §3210-C, sub-§3-A is enacted to read:

3-A. Regional coordination. If the commission determines that the likely benefits to ratepayers in the State will exceed the likely costs, the commission may coordinate with one or more states to procure, through long-term contracts or other mechanisms, transmission capacity, capacity resources, renewable energy credits or clean energy credits.

Sec. 20. 35-A MRSA §3210-C, sub-§7, as amended by PL 2009, c. 518, §5, is further amended to read:

7. Disposition of resources. An investor-owned transmission and distribution utility shall sell capacity resources, energy ~~or~~, renewable energy credits or clean energy credits purchased pursuant to subsection 3 or 3-A or take other action relative to such capacity resources, energy ~~or~~, renewable energy credits or clean energy credits as directed by the commission.

Sec. 21. 35-A MRSA §3210-C, sub-§9, as amended by PL 2009, c. 518, §6, is further amended to read:

9. Contract payments. Except as provided in paragraphs A and B, contracts for capacity resources, related energy ~~or~~, renewable energy credits or clean energy credits entered into pursuant to this section must provide that payments will be made only after

contracted amounts of capacity resources, related energy or renewable energy credits have been provided.

A. Contracts with the Efficiency Maine Trust established in section 10103 for energy efficiency capacity resources and related energy entered into pursuant to this section may provide that up to 20% of the total payment be made at the start of the contract. Such contracts must provide that the remaining payments will be made only after the supplier has demonstrated, according to measurement and verification protocols specified in rules adopted by the Efficiency Maine Trust Board pursuant to section 10105, subsection 5, that physical installations have been completed and contracted amounts of capacity resources and related energy have been substantiated.

B. Contracts with any entity other than the Efficiency Maine Trust established in section 10103 for energy efficiency capacity resources and related energy must provide that payments will be made only after the supplier has demonstrated, according to measurement and verification protocols specified in rules adopted by the Efficiency Maine Trust Board pursuant to section 10105, subsection 5, that physical installations have been completed and contracted amounts of capacity resources and related energy have been substantiated.

Sec. 22. 35-A MRSA §3212-B, sub-§1, as enacted by PL 2021, c. 40, §1, is amended to read:

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Green power supply" means electricity or renewable energy credits or clean energy credits for electricity generated from renewable capacity resources as defined in section 3210, subsection 2, paragraph B-3, including electricity generated by community-based renewable energy projects as defined in section 3602, subsection 1.

A-1. "Clean energy credit" has the same meaning as in section 3210, subsection 2, paragraph A-5.

B. "Renewable energy credit" has the same meaning as in section 3210, subsection 2, paragraph B-2.

Sec. 23. 35-A MRSA §3212-B, sub-§2, as enacted by PL 2021, c. 40, §1, is amended to read:

2. Certification; information in bill inserts. Information regarding the availability of the green power offer and of green power supply products ~~and~~, renewable energy credit products and clean energy credit products that are certified by the commission may, at the option of the provider of the offer or the product and with the cooperation of the transmission and distribution utility, be presented through inserts in customer bills issued by transmission and distribution utilities. The costs of the inserts, including but not limited to printing and postage costs, are the responsibility of the provider of the offer or product. The commission may define the criteria for certification of green power supply products ~~and~~, renewable energy credit products and clean energy credit products by order or by rule, and the commission may limit the criteria for certification for consumer protection and eligibility verification purposes. Rules adopted to implement this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 24. Public Utilities Commission; rules. The Public Utilities Commission may initiate rulemaking to amend its rule Chapter 316: Long-term Contracting and Resource Adequacy to implement the Maine Revised Statutes, Title 35-A, section 3210-C. Notwithstanding Title 35-A, section 3210-C, subsection 10, rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.