

§3210-G. Renewable portfolio standard procurement

The commission shall direct investor-owned transmission and distribution utilities to enter into one or more contracts for energy or renewable energy credits from Class IA resources in accordance with this section. Customers who have made an election pursuant to section 3210, subsection 10 are subject to prohibitions on bidding on or obtaining a contract under this section as provided in section 3210, subsection 10. For purposes of this section, "Class IA resource" and "renewable energy credit" have the same meanings as in section 3210, subsection 2. [PL 2019, c. 477, §2 (NEW).]

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

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

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

(2) No later than January 15, 2021, the commission shall initiate a 2nd competitive solicitation for an amount of energy or renewable energy credits equal to the difference between 14% of retail electricity sales and the amount approved in contracts by December 31, 2020. [PL 2019, c. 477, §2 (NEW).]

B. To the extent sufficient resources are available, 75% of the energy or renewable energy credits contracted under this section must come from Class IA resources that begin commercial operations after June 30, 2019 and 25% must come from Class IA resources that began commercial operations on or prior to June 30, 2019. [PL 2019, c. 477, §2 (NEW).]

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

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

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

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

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

(c) Employment resulting from the Class IA resource;

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

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

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

(g) Avoided emissions resulting from the operation of the Class IA resource. [PL 2019, c. 477, §2 (NEW).]

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

(1) The commission shall permit an energy storage system to bid on solicitations or to be contracted under this section only if the energy storage system is connected to the State's electricity grid, paired as a complementary resource with a Class IA resource and either:

(a) Colocated with the Class IA resource, whether metered jointly with or separately from the Class IA resource; or

(b) Located at a different location from the Class IA resource and the commission finds that inclusion of the energy storage system would result in a reduction in greenhouse gas emissions.

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

(a) Reduction in costs;

(b) Decrease in peak electricity demand;

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

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

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

(f) Reduction in greenhouse gas emissions.

(3) An energy storage system that is not colocated with a Class IA resource may receive renewable energy credits only for stored energy generated from a Class IA resource.

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

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

For the purposes of this paragraph, "energy storage system" means a commercially available technology that uses mechanical, chemical or thermal processes for absorbing energy and storing it for a period of time for use at a later time. [PL 2019, c. 477, §2 (NEW).]

[PL 2019, c. 477, §2 (NEW).]

2. Contract terms. A contract entered into pursuant to this section must be for a term of 20 years, unless the commission finds a contract for a longer term to be prudent. If a Class IA resource offers to sell capacity, the commission may allow a contract with that resource to include the purchase of such capacity, but the commission may not require any Class IA resource to offer or sell capacity in order to participate in any solicitation or contract under this section.

[PL 2019, c. 477, §2 (NEW).]

3. Report. No later than March 31, 2023 and biennially thereafter, the commission shall submit a report regarding the status of contracts for Class IA resources under this section 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 IA resources participating in competitive solicitations, information about the resources selected for contracts and the selection process, the benefits and costs of the contracts and recommendations about how to further stimulate investment in Class IA resources or achieve ratepayer benefits from Class IA resources. The report may include information about benefits and costs of the contracts to the State's economy, environmental quality or

electricity consumers over both the short and long terms. Any analysis of the benefits or costs of the contracts must be based on a forecast of all avoided costs resulting from the contracts that is transparent and balanced over the long term.

[PL 2019, c. 477, §2 (NEW).]

SECTION HISTORY

PL 2019, c. 477, §2 (NEW).

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