

*Proposed Amendment to the Summit Natural Gas Amendment To LD 9
Proposed on behalf of the industrial Energy Consumer Group
February 11, 2021*

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

2 Sec. 1. 35-A MRSA §3212-B is enacted to read:

3 **§3212-B. Power-to-fuel pilot program**

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

6 A. "Power-to-fuel pilot program" means a pilot program established by the
7 commission pursuant to this section.

8 B. "Power-to-fuel project" means a facility that creates hydrogen, methane gas or other fuel
derived from the process of electrolysis utilizing a renewable capacity resource or
environmental attributes of a renewable capacity resource.

9 C. "Renewable capacity resource" has the same meaning as in Section 3210,
subsection B-3

10 D. "Thermal renewable energy credit" has the same meaning as in section 3210,
11 subsection 2, paragraph E.

12 **2. Power-to-fuel pilot program; criteria.** The commission shall establish a power-
13 to-fuel pilot program in accordance with this section. The commission shall establish an
initial **competitive solicitation** ~~first application~~ process to begin no later than **January 15, 2022** and
close no later than **March 15, 2022** unless the commission determines more time is needed to
facilitate the process. Annual **solicitation** ~~application~~ processes shall continue until **December 31,**
2027, or until two power-to-fuel projects have been approved. In implementing a power-to-fuel
pilot program, the commission shall:

17 A. Limit the capacity of a power-to-fuel project's **peak electricity demand** to 10 megawatts;

18 B. Prioritize power-to-fuel projects with lower greenhouse gas emissions, **or which**
advance the viability of technology to reduce greenhouse gas emissions;

19 C. Require that no thermal renewable energy credits may be bought or sold in relation
20 to fuel produced by a power-to-fuel project;

21 D. Find that the project is in the public interest and is ~~not~~ **reasonably likely to create only**
insignificant ~~substantial~~ new costs for gas or electric ratepayers;

22 E. Require that the project demonstrate site control;

23 F. Require that the project sponsor demonstrate technical and financial capacity to
construct, operate and decommission the project.

24 **3. Exemptions for sales of electricity to a power-to-fuel project.** Sales of electricity
25 to a power-to-fuel project under the power-to-fuel pilot program are exempt from:

26 A. Distribution charges regulated by the commission, including but not limited to
27 volumetric, demand and standby charges;

28 B. Charges associated with the procurement of energy efficiency resources by
29 transmission and distribution utilities ordered under section 10110, subsection 4-A; and

30 C. Renewable portfolio standards requirements under section 3210, subsections 3-A,
31 3-B and 3-C.

32 The exemptions provided under this subsection begin on the date of operation of a power-
33 to-fuel project and end 15 years after that date, except that the commission may approve
34 continuation of the exemptions beyond 15 years on the basis of project need.

35 **Sec. 2. Report.** The Public Utilities Commission, by November 1, 2023, shall submit
36 a report to the joint standing committee of the Legislature having jurisdiction over energy
37 and utility matters regarding the progress made on establishing the power-to-fuel pilot

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38 program under the Maine Revised Statutes, Title 35-A, section 3212-B, including the
39 number of power-to-fuel projects approved under the pilot program, a description of the
participating project or projects and the amount of electricity from a renewable capacity
resource converted into hydrogen gas, methane gas or other fuel by the participating project or
projects. The joint standing committee may report out a bill to the Second Regular Session of
the 131st Legislature based on the report, which may include legislation to extend, repeal or make
permanent the pilot program.

1 **SUMMARY**

2 This bill requires the Public Utilities Commission to establish and oversee a power-to-
3 fuel pilot program. The commission is required to approve up to two power-to-fuel projects
4 between January 1, 2022 and December 31, 2027, each with a peak electric demand of 10
megawatts, that convert electricity from a renewable capacity resource to hydrogen gas, methane
gas or other fuel. Under the pilot program, sales of electricity from a renewable capacity
resource to a power-to-fuel project are exempt from distribution charges, charges associated
with the procurement of energy efficiency
5 resources and renewable portfolio standards requirements for a period of 15 years from the
6 date of operation of the power-to-fuel project. The bill requires the commission to submit
7 a report on the pilot program by November 1, 2023 to the joint standing committee of the
8 Legislature having jurisdiction over energy and utility matters.