

OFFICE OF POLICY AND LEGAL ANALYSIS

Date: March 15, 2022
 To: Joint Standing Committee on Energy, Utilities and Technology
 From: Lindsay Laxon, Legislative Analyst
 Re: LD 634 An Act To Cap the Value of Contracts for Renewable Resources and Distributed Generation Resources

BILL SUMMARY

This bill limits the total value of renewable energy credits contracted for under the renewable portfolio standard procurement laws to the reasonable costs associated with making a Class 1A resource commercially operable, plus \$100,000. It requires the PUC to adopt routine technical rules to establish a method for determining the contract limitations on each contract and to otherwise implement the limitation.

This bill caps contracts entered into between a standard buyer and project sponsor for distributed generation to the reasonable costs associated with making a resource or project commercially operable, plus \$100,000. The bill requires the PUC to adopt routine technical rules to establish a method for determining the contract limitations on each contract and to otherwise implement the cap.

Public Hearing: March 16, 2021

Work session: April 8, 2021- discussed in conjunction with LD 249, 583, and 709.

List of People that Submitted Written Testimony and/or Spoke at the Public Hearing

Proponents: Senator Stewart (sponsor)

Opponents: Michelle Carpenter (TurningPoint Energy), David Costello (NRCM), Elizabeth Curran (BlueWave Solar), Kelsey Fiori (Nexamp), Barry Hobbins (Public Advocate), Patrick Jackson (SunRaise and ReWild), Kaitlin Kelly O'Neill (Coalition for Community Solar Access), Jeremy Payne (MREA), Jessica Robertson (Borrego Solar), Steven Weems (Solar Energy Association of Maine), Melissa Winne (GEO), Zachary Bouchard (Cumberland), Anya Fetcher (Environment Maine), Jeff Marks (Acadia Center), Jon Mark Nyborg (Sullivan), Christine Real de Azua (Sedgwick), Karen Young (Northport)

NFNA: Garrett Corbin (PUC), Fortunat Mueller (ReVision Energy), Kathleen Newman (CMP)

ISSUES AND CONSIDERATIONS RAISED AT PUBLIC HEARING AND WORK SESSION

- PUC expressed concern about the feasibility of this level of review with existing resources
- Specific questions raised by PUC:
 - (1) should the cap apply to contracts for energy; and
 - (2) if there is a contract for energy from a Class 1A resources and the project retains the RECs, would the intention be that this proposal limits the purchase price of the RECs?
 The Commission is unsure what enforcement mechanism would be appropriate for such a scenario.

Fiscal Impact

- Preliminary fiscal impact statement not yet received