

PROPOSED COMMITTEE AMENDMENT

Offered by Sen. Vitelli

An Act To Expand Maine's Clean Energy Economy

Amend the bill as follows (changes highlighted):

Sec. 1. 35-A MRSA §3210 sub-§9 is 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, and thermal renewable energy credits under subsection 3-C, and Class II resources under subsection 3 through an alternative compliance payment ~~mechanism~~ mechanisms in accordance with this subsection.

- A. The commission shall set the alternative compliance payment rate-rates by rule, which may not be greater than \$50 for the requirements under subsections 3-A, 3-B, and 3-C, and not greater than \$15 for the requirement under subsection 3, and shall publish the alternative compliance payment rates by January 31st of each year. In setting the rate-rates, the commission shall take into account prevailing market prices, standard-offer service prices for electricity, reliance on alternative compliance payments to meet the requirements of subsections 3, 3-A, 3-B and 3-C and investment in Class I and Class IA resources and thermal renewable energy credits in the State during the previous calendar year, including such investments that may affect the availability or price of Class II resources.
- B. The commission shall collect alternative compliance payments to meet the requirements of subsections 3, 3-A and 3-B made by competitive electricity providers and shall deposit all funds collected under this paragraph in the Energy Efficiency and Renewable Resource Fund established under section 10121, subsection 2 to be used to fund research, development and demonstration projects relating to renewable energy technologies and to fund rebates for cost-effective renewable energy technologies.

Sec. 2. 35-A MRSA §3210 sub-§11 is amended to read:

11. Report; Class IA resource and thermal rRenewable energy credit portfolio requirements. By March 31, 2024 2023 and every 5 years thereafter, the ~~commission~~ 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 Governor's Energy Office commission, of the status and impacts of the implementation of the portfolio requirements for Class IA renewable resources under subsections 3, 3-A, 3-B and thermal renewable energy credits under subsection 3-C. 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. The report

required under this subsection may be submitted in conjunction with the report required under subsection 3-A, paragraph C. After reviewing the report required under this subsection, the committee may report out legislation regarding renewable portfolio requirements.

Sec. 13. 35-A MRSA §3210-G, sub-§1, as enacted by PL 2019, c. 477, §2, is amended to read:

1. Competitive procurement. The commission shall conduct 2 competitive solicitations pursuant to paragraph A and 2 competitive solicitations pursuant to paragraph B-1 in order to select Class IA resources for contracts under this section.

A. Through the competitive solicitations ~~under this section~~ described in subparagraphs (1) and (2), 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 under this paragraph 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 under this paragraph 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.

B. To the extent sufficient resources are available, with respect to the competitive solicitations described in paragraph A, subparagraphs (1) and (2), 75% of the energy or renewable energy credits contracted under this section pursuant to those competitive solicitations 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.

B-1. Through the competitive solicitations described in subparagraphs (1) and (2), the commission shall procure an amount of additional energy or renewable energy credits from Class IA resources that is equal to 15% of retail electricity sales in this State for the period from January 1, 2019 to December 31, 2019, as determined by the commission.

(1) The commission shall initiate a first competitive solicitation under this paragraph and ensure that solicitation results in the approval of contracts by December 31, 2023 for energy or renewable energy credits equal to 7.5% of the retail electricity sales in this State for the period from January 1, 2021 to December 31, 2021, reduced by the amount of Class IA resources procured pursuant to section 3210 by January 1, 2023, as determined by the commission. ~~and ensure that solicitation results in the approval of contracts by December 31, 2021 for energy or renewable energy credits equal to at least 10%7.5% of retail electricity sales for the period from January 1, 20192021 to December 31, 20192021, as determined by the commission. If the commission determines that contracts for an amount greater than 10% of retail electricity sales will provide financial benefits to ratepayers, it may approve contracts by December 31, 2021 for up to 15% of retail electricity sales.~~

(2) No later than January 15, 2022, the commission may initiate a 2nd competitive solicitation under this paragraph for an amount of energy or renewable energy credits equal to the difference between 15% of retail electricity sales and the amount approved in contracts by December 31, 2021.

(2) If the commission finds that any contracts entered into under paragraph A are unlikely to result in the procurement of the energy specified in the contracts, the commission shall initiate by January 31, 2024 a competitive solicitation to procure an equivalent amount of energy.

B-2. To the extent sufficient resources are available, with respect to the competitive solicitations described in paragraph B-1, subparagraphs (1) and (2), 100% of the energy or renewable energy credits contracted under this section pursuant to those competitive solicitations must come from Class IA resources that begin commercial operations after June 30, ~~2021~~2022.

B-3. In conducting a solicitation and selecting Class IA resources for contracts under this section, the commission shall give special consideration to selection of projects in economically depressed areas of the State as determined by the commission.

B-4. In conducting a solicitation and selecting Class IA resources for contracts under this section, the commission shall give consideration to evidence of project viability, including, but not limited to, the submission of a preapplication with the relevant siting authority or the submission of an interconnection request with the New England independent system operator.

B-5. In conducting a solicitation and selecting Class 1A resources for contracts under this section, the commission shall give consideration to the expected effect of selected Class 1A resources on other renewable resources, as defined in Section 3210, subsection 2, paragraph C, due to congestion and curtailment.

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 ~~;~~ and

(h) Use of agricultural land the Department of Agriculture, Conservation and Forestry has found to be contaminated with perfluoroalkyl and polyfluoroalkyl substances, as defined in Title 38, section 1614.

D. The commission shall, in accordance with this paragraph, ~~allow give special consideration to~~ energy storage systems ~~to participate~~ participating 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, utilizing a methodology published by the commission, that inclusion of the energy storage system would result in a reduction in greenhouse gas emissions. The commission must be apply the methodology consistently to all applicable bids and contracts.

(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.

E. In advance of conducting a solicitation under this section, the commission, in coordination with the Governor's Energy Office and the Office of the Public Advocate, shall seek opportunities to coordinate

the solicitation with other New England states, entities designated by those states, or other buyers in order to achieve a positive or neutral effect on the ratepayers in this State.

Sec. **24**. 35-A MRSA §3210-G, sub-§4 is enacted to read:

4. Rules. The commission may adopt rules necessary for the implementation of this section. Rules adopted by the commission may include, but are not limited to, provisions stipulating the financial security mechanisms that will be required as a condition of the selection of Class IA resources for contracts under this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

SUMMARY

To be added later