1	L.D. 1863
2	Date: (Filing No. S-)
3	ENERGY, UTILITIES AND TECHNOLOGY
4	Reproduced and distributed under the direction of the Secretary of the Senate.
5	STATE OF MAINE
6	SENATE
7	125TH LEGISLATURE
8	SECOND REGULAR SESSION
9 10	COMMITTEE AMENDMENT " " to S.P. 648, L.D. 1863, Bill, "An Act To Lower the Price of Electricity for Maine Consumers"
11 12	Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:
13 14	'Sec. 1. 35-A MRSA §3210, sub-§2, ¶B-3, as enacted by PL 2009, c. 542, §3, is amended to read:
15	B-3. "Renewable capacity resource" means a source of electrical generation:
16 17	(1) Whose total power production capacity does not exceed 100 megawatts and relies on one or more of the following:
18	(a) Fuel cells;
19	(b) Tidal power;
20	(c) Solar arrays and installations;
21	(d) Geothermal installations;
22 23	(e) Hydroelectric generators that meet all state and federal fish passage requirements applicable to the generator; or
24 25	(f) Biomass generators that are fueled by wood or wood waste, landfill gas or anaerobic digestion of agricultural products, by-products or wastes; or
26	(2) That relies on wind power installations-; or
27 28 29 30 31 32	(3) Whose total power production capacity exceeds 100 megawatts and that is subject to a contract entered into under section 3210-C, subsection 13, but only during the term of the contract and only that portion that is governed by the contract, as determined by the commission by rule pursuant to section 3210-C, subsection 13, and only if the source of electric generation relies on one or more of the following:

1	(a) Fuel cells;
2	(b) Tidal power;
3	(c) Solar arrays and installations;
4	(d) Geothermal installations;
5 6	(e) Hydroelectric generators that meet all state and federal fish passage requirements applicable to the generator; or
7 8	(f) Biomass generators that are fueled by wood or wood waste, landfill gas or anaerobic digestion of agricultural products, by-products or wastes.
9 10	Sec. 2. 35-A MRSA §3210, sub-§2, ¶ C, as amended by PL 2009, c. 542, §5, is further amended to read:
11	C. "Renewable resource" means a source of electrical generation:
12 13 14	(1) That qualifies as a small power production facility under the Federal Energy Regulatory Commission rules, 18 Code of Federal Regulations, Part 292, Subpart B, as in effect on January 1, 1997; or
15 16	(2) Whose total power production capacity does not exceed 100 megawatts and that relies on one or more of the following:
17	(a) Fuel cells;
18	(b) Tidal power;
19	(c) Solar arrays and installations;
20	(d) Wind power installations;
21	(e) Geothermal installations;
22	(f) Hydroelectric generators;
23 24	(g) Biomass generators that are fueled by wood or wood waste, landfill gas or anaerobic digestion of agricultural products, by-products or wastes; or
25 26	(h) Generators fueled by municipal solid waste in conjunction with recycling-; or
27 28 29 30 31 32	(3) Whose total power production capacity exceeds 100 megawatts and that is subject to a contract entered into under section 3210-C, subsection 13, but only during the term of the contract and only that portion that is governed by the contract, as determined by the commission by rule pursuant to section 3210-C, subsection 13, and only if the source of electric generation relies on one or more of the following:
33	(a) Fuel cells;
34	(b) Tidal power;
35	(c) Solar arrays and installations;

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1	(d) Wind power installations;
2	(e) Geothermal installations;
3	(f) Hydroelectric generators;
4 5	(g) Biomass generators that are fueled by wood or wood waste, landfill gas or anaerobic digestion of agricultural products, by-products or wastes; or
6 7	(h) Generators fueled by municipal solid waste in conjunction with recycling.
8 9 10	Sec. 3. 35-A MRSA §3210-C, sub-§3, ¶ C, as amended by PL 2011, c. 273, §1 and affected by §3 and amended by c. 413, §2, is repealed and the following enacted in its place:
11 12 13 14 15	C. Any available renewable energy credits associated with capacity resources contracted under paragraph A. The price paid by the investor-owned transmission and distribution utility for the renewable energy credits must be lower than the price received for those renewable energy credits at the time they are sold by the transmission and distribution utility.
16	Sec. 4. 35-A MRSA §3210-C, sub-§13 is enacted to read:
17 18 19 20 21	13. Contracts to ensure lower rates. In accordance with this subsection, the commission may direct investor-owned transmission and distribution utilities to enter into contracts with electricity resources for the purpose of reducing the price of electricity to ratepayers. Contracts under this subsection are not governed by the provisions of subsection 3.
22 23 24 25 26 27	A. The commission shall ensure that a contract under this subsection requires the price for electric energy purchased under the contract to be at least 10% less than the applicable market clearing price at the time of delivery, as determined by the commission by rule, except that if the commission determines that a discount price closer to the applicable market clearing price is necessary to achieve the purposes of this section, the commission may by rule establish a lower discount.
28 29 30	B. The commission may not require contracts entered into under this subsection to involve in aggregate an amount of electric energy that exceeds 10% of the total statewide electric energy load, as determined by the commission by rule.
31 32 33	C. The commission may not require an investor-owned transmission and distribution utility to enter into any contract under this subsection that has a term that exceeds 20 years.
34 35 36 37	D. The commission may require an investor-owned transmission and distribution utility to enter into a contract for electric energy and associated renewable energy credits, with appropriate valuation of each component, consistent with the other requirements of this subsection.
38 39	E. The commission may not require investor-owned transmission and distribution utilities to enter into contracts under this subsection:

1 2	(1) With renewable capacity resources, as defined in section 3210, subsection 2, paragraph B-3, that in aggregate exceed during the term of the contract 50% of
3 4	the total statewide portfolio requirement established under section 3210, subsection 3-A; or
5	(2) With renewable resources, as defined in section 3210, subsection 2,
6	paragraph C, subparagraph (3), that exceed during the terms of the contract 50%
7	of the total statewide portfolio requirement established under section 3210,
8	subsection 3.
9	F. An investor-owned transmission and distribution utility shall sell entitlements for
.0	capacity, energy and renewable energy credits purchased pursuant to this subsection
.1	as directed by the commission.
.2	G. The commission shall ensure that an investor-owned transmission and distribution
.3	utility recovers in rates all costs of contracts entered into pursuant to this subsection,
.4	including but not limited to any impacts on the utility's costs of capital.
.5	The commission shall adopt rules implementing this subsection and defining when a
.6	source of electric generation that is subject to a contract entered into under this subsection
.7	qualifies as a renewable capacity resource under section 3210, subsection 2, paragraph
.8	B-3, subparagraph (3) or a renewable resource under section 3210, subsection 2,
.9	paragraph C, subparagraph (3). Rules adopted under this subsection are major
20	substantive rules as defined in Title 5, chapter 375, subchapter 2-A.'
21	SUMMARY
22	This amendment, which is the minority report, authorizes the Public Utilities
22 23	Commission to direct investor-owned transmission and distribution utilities to enter into
24	contracts with electricity resources for the purpose of reducing the price of electricity to
25	ratepayers. The contracts for electricity must be priced at least 10% less than the
26	applicable market clearing price at the time of delivery, except that if the commission
27	determines that a discount price closer to the applicable market clearing price is necessary
28	to achieve the purposes of this section, the commission may by major substantive rule
29	establish a lower discount. Contracts may not involve in aggregate an amount of electric
80	energy that exceeds 10% of the total statewide electric energy load and may not have a
31	term that exceeds 20 years. The commission may require contracts for the electric energy
32	and associated renewable energy credits, with appropriate valuation of each component.
33	Resources under these contracts that otherwise qualify as renewable resources under the
34	portfolio requirements but that exceed the current 100-megawatt limitations will become
35	qualified to meet those portfolio requirements in accordance with rules adopted by the
36	commission. The contracts may not involve an amount of qualified renewable resources
37	that exceed in aggregate 50% of the applicable statewide portfolio requirements.

FISCAL NOTE REQUIRED

(See attached)

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