

§3604. Long-term contracts for community-based renewable energy

Long-term contracts with program participants who elect the long-term contract for community-based renewable energy pursuant to section 3603, subsection 4, paragraph A are governed by this section. [PL 2009, c. 329, Pt. A, §4 (NEW).]

1. Investor-owned transmission and distribution utilities; required participation.

Notwithstanding section 3204, the commission may direct investor-owned transmission and distribution utilities to enter into long-term contracts with program participants located within the service territory of the utility for energy, capacity resources or renewable energy credits. The commission may direct investor-owned transmission and distribution utilities to enter into contracts under this subsection only as agents for their customers and only in accordance with this section. An investor-owned transmission and distribution utility shall sell energy, capacity resources or renewable energy credits purchased pursuant to this subsection into the wholesale electricity market or take other action relative to such energy, capacity resources or renewable energy credits as directed by the commission.

[PL 2009, c. 329, Pt. A, §4 (NEW).]

2. Consumer-owned transmission and distribution utilities; voluntary participation.

A consumer-owned transmission and distribution utility may, at the option of the utility, enter into long-term contracts with program participants located within the service territory of the utility for energy, capacity resources or renewable energy credits. Consumer-owned transmission and distribution utilities may enter into contracts under this subsection only as agents for their customers and only in accordance with this section.

[PL 2009, c. 329, Pt. A, §4 (NEW).]

3. Sale of energy; contract procedures. Energy, capacity resources or renewable energy credits contracted in long-term contracts pursuant to this section may be sold into the wholesale electricity market in conjunction with solicitations for standard-offer supply bids under section 3212 or solicitations for green power offer bids under section 3212-B. To the greatest extent possible, the commission shall develop procedures for long-term contracts for transmission and distribution utilities under this section having the same legal and financial effect as the procedures used for standard-offer service pursuant to section 3212 for transmission and distribution utilities.

[RR 2021, c. 2, Pt. A, §124 (COR).]

4. Contract term. A contract entered into pursuant to this section may not be for more than 20 years.

[PL 2009, c. 329, Pt. A, §4 (NEW).]

5. Contract pricing; cost containment. The commission shall ensure that in any contract entered into pursuant to this section:

A. The average price per kilowatt-hour within each contract year does not exceed 10¢; and [PL 2009, c. 329, Pt. A, §4 (NEW).]

B. The cost of the contract does not exceed the cost of the project plus a reasonable rate of return on investment as determined by the commission. [PL 2009, c. 329, Pt. A, §4 (NEW).]

[PL 2009, c. 329, Pt. A, §4 (NEW).]

6. Competitive solicitation process and contract negotiation; large generators. For program participants with a generating capacity of one megawatt or more, the commission shall, in accordance with this subsection, conduct competitive solicitations for long-term contracts. The commission shall require that bids include full project cost disclosure. Following a review of bids received, the commission may negotiate with one or more potential suppliers. The commission shall negotiate contracts that are commercially reasonable and that commit all parties to commercially reasonable behavior. In selecting program participants for contracting pursuant to this subsection, the commission

shall select program participants that are competitive and the lowest priced when compared to other available bids of the same or similar contract duration or terms.

[PL 2009, c. 329, Pt. A, §4 (NEW).]

7. Contract administration; small generators. For program participants with a generating capacity of less than one megawatt, the commission shall administer long-term contracts at prices established by the commission by rule. The commission shall, at a minimum, establish prices for energy generated by the following renewable resources:

A. Wind power installations; [PL 2009, c. 329, Pt. A, §4 (NEW).]

B. Solar arrays and installations; and [PL 2009, c. 329, Pt. A, §4 (NEW).]

C. Any other renewable resource upon request of one or more community-based renewable energy generators that use that resource. [PL 2009, c. 329, Pt. A, §4 (NEW).]

The commission shall establish prices under this subsection based on an analysis of reasonable costs and may establish different prices for different resources or technologies and different prices by time of generation in accordance with that analysis.

[PL 2009, c. 329, Pt. A, §4 (NEW).]

8. Cost and benefit allocation. The commission shall ensure that all costs and benefits associated with contracts involving investor-owned transmission and distribution utilities entered into under this section are allocated to electricity consumers in accordance with section 3210-F.

[PL 2013, c. 454, §4 (RPR).]

9. Contract payments. Contracts for capacity and related energy entered into pursuant to this section must provide that payments will be made only after contracted amounts of energy have been provided.

[PL 2009, c. 329, Pt. A, §4 (NEW).]

10. Ratepayer protection. The commission shall ensure that mechanisms are established to provide protections for ratepayers over the term of contracts entered into pursuant to this section.

[PL 2009, c. 329, Pt. A, §4 (NEW).]

SECTION HISTORY

PL 2009, c. 329, Pt. A, §4 (NEW). PL 2013, c. 454, §4 (AMD). RR 2021, c. 2, Pt. A, §124 (COR).

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