

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-ONE

—
S.P. 563 - L.D. 1710

An Act To Require Prompt and Effective Use of the Renewable Energy Resources of Northern Maine

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

Sec. 1. 35-A MRSA §3210-H is enacted to read:

§3210-H. Northern Maine Renewable Energy Development Program

1. Program established. The Northern Maine Renewable Energy Development Program, referred to in this section as "the program," is established to remove obstacles to the use of and to promote development of the substantial renewable energy resources in northern Maine. As used in this section, "northern Maine" means Aroostook County and any other area of the State in which the retail market is administered by the independent system administrator for northern Maine.

The commission shall administer the program in accordance with this section and shall ensure that such administration accounts for and is designed to advance the renewable energy and climate policies and goals of the State and to:

A. Encourage the rapid development of renewable resources in northern Maine to achieve greenhouse gas emissions reductions in the State and realize direct and near-term economic benefits in northern Maine;

B. Develop the transmission infrastructure necessary for the State to expeditiously meet its renewable energy and climate goals using, to the extent practicable, renewable energy resources located in the State;

C. Transition the State's mandated renewable energy purchasing through contracting approved and ordered by the commission in accordance with this section for the purchase of capacity, renewable energy and renewable energy credits, or any combination thereof, in a manner designed to most effectively account for the changing seasonal, time of day and other electricity usage characteristics associated with beneficial electrification as defined in section 10102, subsection 3-A over the duration of such contracts;

D. Promote energy equity with particular consideration given to the economic circumstances and opportunities in the State's socially vulnerable counties and

communities. For the purposes of this paragraph, "socially vulnerable counties and communities" means those counties and communities in the State containing populations that are disproportionately burdened by existing social inequities or lack the capacity to withstand new or worsening burdens; and

E. Recognize that, in advancing the renewable energy and climate policies and goals of the State, the near-term development of the transmission and other infrastructure necessary to reduce greenhouse gas emissions is in the public interest.

2. Request for proposals; generation connection line. The commission shall issue a request for proposals for the development and construction of a 345-kilovolt double circuit generation connection line, or, in the commission's discretion, a transmission line or lines of greater capacity, to connect renewable energy resources located in northern Maine and developed pursuant to subsection 3 with the electric grid operated by the New England independent system operator, referred to in this section as "the ISO-New England system." The commission may issue preliminary requests for information from utilities and private developers or release draft requests for proposals to gather information to inform the program.

A. The proposals must be required to cover a contract term of 30 years, except that the commission may, in its discretion, approve a contract term of a different duration, and must include provisions for the construction, development and subsequent commercial operation of the line or lines described in this subsection.

B. The commission shall evaluate the proposals received based, at a minimum, on the following factors: cost, economic benefit to northern Maine, the qualifications of the bidder or bidders, the long-term viability of each proposal and the anticipated contribution of each proposal toward the achievement by the State of its renewable energy goals under section 3210. The commission shall disqualify any proposal that, in the commission's determination, fails to demonstrate the bidder's technical and financial capacity to successfully construct, develop and operate the line or lines described in this subsection and to pursue, negotiate and contract for its interconnection with the ISO-New England system.

C. The commission shall give preference to proposals that:

(1) In the commission's determination, in the aggregate with proposals received under subsection 3, demonstrate the most cost-effective and efficient transmission access to renewable energy resources in northern Maine in a manner that best supports the achievement of the State's renewable energy goals under section 3210 and that maximize benefits to the State;

(2) Favor use, where practicable, of existing utility and other rights-of-way and other existing transmission corridors in the construction of the line or lines described in this subsection; and

(3) In the commission's determination, are likely to provide a reduction in transmission costs and costs to ratepayers for electricity over time as more energy is transmitted using the line or lines described in this subsection.

D. The commission may consider and, in accordance with the applicable provisions of this subsection and subsection 3, select a proposal or proposals that include both the development and construction of the line or lines described in this subsection and the

development and construction of one or more qualified renewable energy generation projects described in subsection 3.

E. No later than November 1, 2022, the commission shall approve a contract or contracts between one or more transmission and distribution utilities and the bidder of any proposal selected by the commission in accordance with this subsection, except that, if at the close of the competitive bidding process the commission determines that no proposal meets the requirements of this subsection or that approval of a contract or contracts that otherwise meet the requirements of this subsection is not in the public interest, the commission may reject all proposals and may open a new competitive bidding process under this subsection.

3. Request for proposals; renewable energy generation projects. The commission shall issue a request for proposals for the development and construction of qualified renewable energy generation projects in northern Maine designed to connect to and transmit generated power using the line or lines to be constructed pursuant to subsection 2. The commission shall make every effort to ensure that the competitive bidding process directed by this subsection results in the approval of contracts pursuant to paragraph E no later than November 1, 2022. As part of the request for proposals under this subsection, the commission shall make available to potential bidders any relevant information submitted to the commission by the bidder or bidders whose proposal or proposals were approved for contracting under subsection 2. Except as provided in paragraph B, subparagraph (2), renewable energy generation projects on which construction commenced prior to September 30, 2022 are not qualified for the purposes of this subsection.

A. The proposals must be required to cover a contract term of 20 years, except that the commission may, in its discretion, approve a contract term of a different duration, and must include provisions for the construction, development and subsequent commercial operation of one or more qualified renewable energy generation projects in northern Maine that will be designed to connect to and transmit generated power using the line or lines to be constructed pursuant to subsection 2. The commission may consider only proposals for the construction of Class I and Class IA resources, as defined in section 3210, subsection 2, and energy storage systems, except that the commission may not consider proposals for the construction of biomass generators fueled by landfill gas or by anaerobic digestion of agricultural products, by-products or waste, or waste-to-energy generation facilities fueled by municipal solid waste. For the purposes of this section, "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.

B. The commission may, in its discretion, consider and select in accordance with the applicable requirements of this subsection:

(1) One or more contracts for capacity, renewable energy or renewable energy credits, or any combination thereof, from a qualified renewable energy generation project described in this subsection; or

(2) One or more contracts for renewable energy generation projects on which construction commenced prior to September 30, 2022, if the commission determines that:

(a) Such a project otherwise meets the requirements of this subsection;

(b) Additional line capacity remains available on the line or lines to be constructed pursuant to subsection 2; and

(c) There are no commercially viable proposals remaining for consideration for qualified renewable energy generation projects on which construction commenced or will commence on or after September 30, 2022.

C. The commission shall evaluate the proposals received based, at a minimum, on the following factors: cost, economic benefit to northern Maine, the qualifications of the bidder or bidders and, as determined by the commission, the short-term, medium-term and long-term viability of the proposals.

D. The commission shall give greatest preference to proposals that, in the commission's determination, in the aggregate with proposals received under subsection 2, demonstrate the most cost-effective and efficient development of renewable energy resources in northern Maine in a manner that best supports the achievement of the State's renewable energy goals under section 3210 and maximize benefits to the State.

E. The commission shall approve a contract or contracts between one or more investor-owned transmission and distribution utilities and the bidder of any proposal selected by the commission in accordance with this subsection. If at the close of the competitive bidding process the commission determines that no proposal meets the requirements of this subsection, that additional line capacity remains available or that approval of a contract or contracts that otherwise meet the requirements of this subsection is not in the public interest, the commission may reject all proposals and may open a new competitive bidding process under this subsection.

F. In selecting contracts pursuant to this subsection, the commission shall make every effort to ensure that at least one such contract supports the construction and development in northern Maine of a biomass generator fueled by wood or wood waste. In considering any proposal under this subsection for a qualified renewable energy generation project that is a biomass generator fueled by wood or wood waste, the commission shall consider the waste reduction benefits to the State's forest products industry associated with the operation of the biomass generator, including, but not limited to, the avoidance of methane emissions.

Notwithstanding any provision of law to the contrary, the commission may in its discretion approve and order a contract or contracts under this subsection for the purchase, beginning on or after January 1, 2024, of capacity, renewable energy or renewable energy credits, or any combination thereof, in an amount that is at least 18% of the retail electric load in the State for the period from January 1, 2019 to December 31, 2019. To the extent practicable, the commission shall approve and order such contract or contracts on a staggered basis consistent with its expectations for the development during the years of 2024 to 2045 of beneficial electrification as defined in section 10102, subsection 3-A and climate mitigation activities in the State and shall ensure the purchase of capacity, renewable energy or renewable energy credits necessary to achieve beneficial electrification from facilities and technology that are located in the State.

4. Regional electric grid integration and development. In implementing and administering the program under this section, the commission shall:

A. Make every effort to facilitate the construction and development of the line or lines described in subsection 2, including, but not limited to, participating in any regional or federal proceeding relating to the line or lines;

B. Participate in proceedings involving the inclusion or integration of the line or lines described in subsection 2 and any associated upgrades by the New England power pool as defined in section 4103, or its successor as approved by the Federal Energy Regulatory Commission, and the ISO-New England system into the ISO-New England system's transmission plan, bulk power system and pool transmission facilities, as that term is defined in the ISO-New England system's open access transmission tariff; and

C. At its discretion, consistent with this section, use or direct one or more transmission and distribution utilities as contracting parties under this section to participate in a regional or multistate competitive market or solicitation.

Where authorized and as practicable, the Office of the Public Advocate may engage in the activities and proceedings described in paragraph A, B or C.

The commission, the Office of the Public Advocate and the Office of the Attorney General may, separately or in combination, obtain any technical or legal assistance necessary to ensure regional and federal interconnection and grid reliability standards are not employed directly or indirectly to discourage the development of the renewable energy resources in northern Maine under the program.

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

PUBLIC UTILITIES COMMISSION

Public Utilities - Administrative Division 0184

Initiative: Provides funding for consulting services related to the administration of the Northern Maine Renewable Energy Development Program.

OTHER SPECIAL REVENUE FUNDS	2021-22	2022-23
All Other	\$203,754	\$0
OTHER SPECIAL REVENUE FUNDS TOTAL	\$203,754	\$0