L.D. 1652

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ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE

SENATE

126TH LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT " " to S.P. 644, L.D. 1652, Bill, "An Act To Support Solar Energy Development in Maine"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'**Sec. 1. 35-A MRSA c. 34-B** is enacted to read:

CHAPTER 34-B

THE MAINE SOLAR ENERGY ACT

§3471. Short title

This chapter may be known and cited as "the Maine Solar Energy Act."

§3472. Legislative findings

1. Public interest. The Legislature finds that it is in the public interest to develop renewable energy resources, including solar energy, in a manner that protects and improves the health and well-being of the citizens and natural environment of the State while also providing economic benefits to communities, ratepayers and the overall economy of the State.

2. Contribution of solar energy development. The Legislature finds that the solar energy resources of the State constitute a valuable indigenous and renewable energy resource and that solar energy development, which is unique in its benefits to and impacts on the climate and the natural environment, can make a contribution to the general welfare of the citizens of the State for the following reasons:

A. Solar energy is an energy resource that does not rely on fossil fuel combustion and therefore it can displace energy provided by that source and reduce air pollution and greenhouse gas emissions; and

B. There is an inexhaustible supply of solar energy throughout the State that should be used cost-effectively for heat and electricity using current technology.

§3473. Specific measures to support solar energy

1. Monitoring. The commission shall monitor, to the extent possible through readily available information, the level of solar energy development in the State in relation to the goals in section 3474, basic trends in solar energy markets and the likely relative costs and benefits for ratepayers from solar energy development, including but not limited to minimizing peak load on transmission and distribution systems and the energy market price of electricity and natural gas during the peak hours.

2. Economic development. Within existing programs and resources, the State, including the Small Enterprise Growth Program, as established in Title 10, chapter 13; the Maine Technology Institute, as established in Title 5, section 12004-G, subsection 33-D; the Maine Rural Development Authority, as established in Title 5, section 12004-F, subsection 18; the Finance Authority of Maine, as established in Title 10, chapter 110; and the Department of Economic and Community Development, shall seek opportunities to promote investment in solar energy development, generation and manufacturing.

§3474. Determination of public policy; state solar energy generation goals

1. Encouragement of solar energy-related development. It is the policy of the State in furtherance of the goals established in subsection 2 to encourage the attraction of appropriately sited development related to solar energy generation, including any additional transmission, distribution and other energy infrastructure needed to transport additional solar energy to market, consistent with all state environmental standards; the permitting and financing of solar energy projects; appropriate utility rate structures; and the siting, permitting, financing and construction of solar energy research and manufacturing facilities for the benefit of all ratepayers.

2. State solar energy generation goals. When encouraging the development of solar energy generation, the State shall pursue cost-effective developments, policies and programs that advance the following goals:

A. Ensuring that solar electricity generation, along with electricity generation from other renewable energy technologies, meaningfully contributes to the generation capacity of the State through increasing private investment in solar capacity in the State;

B. Ensuring that the production of thermal energy from solar technologies meaningfully contributes to reducing the State's dependence on imported energy sources;

C. Ensuring that the production of electricity from solar energy meaningfully contributes to mitigating more costly transmission and distribution investments otherwise needed for system reliability;

D. Ensuring that solar energy provides energy that benefits all ratepayers regardless of income level;

E. Increasing the number of businesses and residences using solar technology as an energy resource; and

F. Increasing the State's workforce engaged in the manufacturing and installation of solar technology.

Sec. 2. Determination of the value of distributed solar energy generation.

1. Value of distributed solar energy generation. The Public Utilities Commission shall determine the value of distributed solar energy generation in the State. The commission shall develop a method for valuing distributed solar energy generation. The method developed by the commission must, at a minimum, account for the value of the energy; market price effects for energy production; the value of its delivery, generation capacity, transmission capacity and transmission and distribution line losses; and the societal value of the reduced environmental impacts of the energy. The commission may, based on known and measurable evidence of the cost or benefit of solar operation to utility ratepayers, incorporate other values into the method, including credit for systems installed at high-value locations on the electric grid, or other factors. The report required by subsection 4 must clearly identify the value of each of the individual components described in this subsection that comprise the value of solar energy generation as determined by the commission. For purposes of the report, the commission may rely on readily available data.

2. Method. In developing a method for valuing distributed solar energy generation pursuant to this section, the Public Utilities Commission shall consider published guidance from the Interstate Renewable Energy Council and any other published materials regarding methods for consistently evaluating the value of distributed solar energy generation. Prior to conducting its analysis of the value of solar energy generation, the commission shall make public its proposed methodology and underlying assumptions and the rationale for proposing them and provide for an opportunity for public comment on them.

3. Solar implementation options. The report required by subsection 4 must include a summary of options for increasing investment in or deployment of distributed solar energy generation that are used in other states or utility jurisdictions. The summary may include policy options or business models along with any existing information regarding costs, benefits and results of those approaches. The commission may provide an analysis of which options, approaches or models may be appropriate for this State considering this State's utility market structures.

4. Report. By February 15, 2015, the Public Utilities Commission shall submit to the joint standing committee of the Legislature having jurisdiction over energy matters a report on the determination of the value of distributed solar energy generation in the State. The commission is not required to follow an adjudicatory proceeding pursuant to the Maine Revised Statutes, Title 5, chapter 375, subchapter 4 in developing its methodology or preparing the report.'

SUMMARY

This amendment modifies the legislative findings and goals of the bill. This amendment adds more specificity to the required components of the study conducted by the Public Utilities Commission regarding the value of distributed solar energy generation and adds a summary of solar implementation options as part of the study. This amendment moves the study report date from January 15, 2015 to February 15, 2015.