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126th MAINE LEGISLATURE

SECOND REGULAR SESSION-2014

Legislative Document

No. 1652

S.P. 644

In Senate, December 23, 2013

An Act To Support Solar Energy Development in Maine

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in black ink, appearing to read "DAREK M. GRANT".

DAREK M. GRANT
Secretary of the Senate

Presented by Senator VITELLI of Sagadahoc.

Cosponsored by Representative GIDEON of Freeport and

Senators: President ALFOND of Cumberland, BOYLE of Cumberland, JACKSON of Aroostook,
ANGLEY of Hancock, MILLETT of Cumberland, SAVIELLO of Franklin, Representatives:
BEAVERS of South Berwick, BERRY of Bowdoinham, DORNEY of Norridgewock, Speaker EVES of
North Berwick, GRANT of Gardiner, HOBBINS of Saco, HUBBELL of Bar Harbor, McCABE of
Skowhegan, McGOWAN of York, MORRISON of South Portland, RYKERSON of Kittery.

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

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 the State's indigenous renewable energy resources, including abundant and widespread 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 tangible economic benefits to communities, ratepayers and the overall economy. The Legislature finds that the development of the solar energy potential in the State needs to be integrated into the existing energy supply and transmission systems in a way that achieves system reliability, total capital cost-effectiveness and optimum short-term and long-term benefits to the citizens of the State. The Legislature finds it is in the public interest for the State to encourage and plan for significant solar energy production as part of a strategy to reduce greenhouse gas emissions and meet the goals established in the state climate action plan developed pursuant to Title 38, section 577. The Legislature also finds it is in the public interest to encourage solar energy research and the development of solar energy generation equipment manufacturing facilities in the State.

2. Contribution of solar energy development. The Legislature finds and declares 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, makes a significant contribution to the general welfare of the citizens of the State for the following reasons:

A. Solar energy is an economically feasible, large-scale 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; consequently, solar energy development may address energy needs while making a significant contribution to achievement of the State's renewable energy and greenhouse gas reduction objectives, including those in Title 38, section 576;

B. There is an inexhaustible supply of solar energy throughout the State that can be effectively used for heat and electricity using current technology, and solar energy can be harnessed on large and small scales using simple or advanced technology;

C. The State has no indigenous supplies of fossil fuel. All fossil fuel must be imported into the State, at great cost to the economy and with significant hazards to the health of the citizens of the State and natural environment;

1 D. At present and increasingly in the future with anticipated technological advances
2 that promise to increase the number of places in the State where grid-scale solar
3 energy development is economically viable and changes in the electrical power
4 market that favor clean power sources, solar energy may be used to displace electrical
5 power that is generated from fossil fuel combustion and thus reduce our citizens'
6 dependence on imported oil and natural gas and improve environmental quality and
7 state and regional energy security; and

8 E. Renewable energy resources within the State have the potential, over time, to
9 provide enough energy for the State's homeowners and businesses to significantly
10 reduce their use of oil and liquid petroleum-fueled heating systems by transitioning to
11 renewable energy-based heating systems and to reduce their use of petroleum-fueled
12 motor vehicles by transitioning to electric-powered motor vehicles. Electrification of
13 heating and transportation has potential to increase the State's energy independence,
14 to help stabilize total residential and commercial energy bills and to reduce
15 greenhouse gas emissions.

16 **§3473. Specific measures to support solar energy**

17 **1. Monitoring.** The commission shall monitor the level of solar energy development
18 in the State in relation to the goals in section 3474, basic trends in solar energy markets
19 and the likely costs and benefits for ratepayers from solar energy development, including
20 but not limited to minimizing peak load on transmission systems.

21 **2. Economic development.** Within existing programs and resources, the State,
22 including the Small Enterprise Growth Program, as established in Title 10, chapter 13;
23 the Maine Technology Institute, as established in Title 5, section 12004-G, subsection
24 33-D; the Maine Rural Development Authority, as established in Title 5, section 12004-F,
25 subsection 18; the Finance Authority of Maine, as established in Title 10, chapter 110;
26 and the Department of Economic and Community Development, shall seek opportunities
27 to promote investment in solar energy development, generation and manufacturing.

28 **§3474. Determination of public policy; state solar energy generation goals**

29 **1. Encouragement of solar energy-related development.** It is the policy of the
30 State in furtherance of the goals established in subsection 2 to encourage the attraction of
31 appropriately sited development related to solar energy, including any additional
32 transmission and other energy infrastructure needed to transport additional solar energy to
33 market, consistent with all state environmental standards; the permitting and financing of
34 solar energy projects; and the siting, permitting, financing and construction of solar
35 energy research and manufacturing facilities.

36 **2. State solar energy generation goals.** The goals for solar energy generation in the
37 State, including all production of electricity and thermal energy through solar energy
38 technologies, using any conversion of units from thermal energy into megawatts that the
39 commission considers appropriate, are that there be:

- 40 A. At least 40 megawatts of installed capacity by 2016;
41 B. At least 200 megawatts of installed capacity by 2020; and

1 C. At least 500 megawatts of installed capacity by 2030.

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

3 **1. Value of distributed solar energy generation.** The Public Utilities Commission
4 shall determine the value of distributed solar energy generation in the State. The
5 commission shall develop a method for valuing distributed solar energy generation. The
6 method developed by the commission must, at a minimum, account for the value of the
7 energy, the value of its delivery, generation capacity, transmission capacity and
8 transmission and distribution line losses and the value of the reduced environmental
9 impacts of the energy. The commission may, based on known and measurable evidence
10 of the cost or benefit of solar operation to a utility, incorporate other values into the
11 method, including credit for locally manufactured or assembled energy systems or
12 systems installed at high-value locations on the electric grid, or other factors. When
13 developing the method, the commission shall consult stakeholders with experience and
14 expertise in power systems, solar energy and electric utility ratemaking regarding the
15 proposed method, underlying assumptions and preliminary data.

16 **2. Method.** In developing a method for valuing distributed solar energy generation
17 pursuant to this section, the Public Utilities Commission shall ensure the method is
18 consistent with published guidance from the Interstate Renewable Energy Council.

19 **3. Report.** By January 15, 2015, the Public Utilities Commission shall submit to the
20 joint standing committee of the Legislature having jurisdiction over energy matters a
21 report on the determination of the value of distributed solar energy generation in the
22 State.

23 **SUMMARY**

24 This bill creates the Maine Solar Energy Act, which:

25 1. States specific legislative findings that it is in the public interest to encourage
26 development of solar energy production in the State. This includes finding that solar
27 energy development makes a significant contribution to the general welfare of the citizens
28 of the State and the reduction of greenhouse gas emissions;

29 2. Requires the Public Utilities Commission to take specific measures regarding solar
30 energy, including monitoring development and market trends and determining the value
31 of distributed solar energy generation;

32 3. Requires the State, including the Small Enterprise Growth Program, the Maine
33 Technology Institute, the Maine Rural Development Authority, the Finance Authority of
34 Maine and the Department of Economic and Community Development, to seek
35 opportunities to promote solar energy development, generation and manufacturing within
36 existing programs; and

37 4. Establishes state solar energy generation goals.