An Act To Establish Primary Energy Goals for the State

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

Presented by Representative WADSWORTH of Hiram. (GOVERNOR’S BILL)
Cosponsored by Senator PATRICK of Oxford and
Representatives: DUNPHY of Embden, GROHMAN of Biddeford, O’CONNOR of Berwick.
Be it enacted by the People of the State of Maine as follows:

Sec. 1. 2 MRSA §9, sub-§3, ¶C, as amended by PL 2013, c. 541, §1, is further amended to read:

C. In consultation with the Efficiency Maine Trust Board, established in Title 5, section 12004-G, subsection 10-C, prepare and submit a comprehensive state energy plan to the Governor and the Legislature by January 15, 2009 and submit an updated plan every 2 years thereafter. Within the comprehensive state energy plan, the director shall identify opportunities to lower the total cost of energy to consumers in this State and transmission capacity and infrastructure needs and recommend appropriate actions to lower the total cost of energy to consumers in this State and facilitate the development and integration of new renewable energy generation within the State and support the State's renewable resource portfolio requirements specified in Title 35-A, section 3210 and wind energy development goals specified in Title 35-A, section 3404. The comprehensive state energy plan must include a section that specifies the State's progress in meeting the oil dependence reduction targets in subsection 5. The office shall make recommendations, if needed, for additional legislative and administrative actions to ensure that the State can meet the reduction targets in subsection 5. The recommendations must include a cost and resource estimate for technology development needed to meet the reduction targets.

(1) Beginning in 2015, the update to the plan must:

(a) Be submitted to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters and the joint standing committee of the Legislature having jurisdiction over natural resources matters;

(b) Address the association between energy planning and meeting the greenhouse gas reduction goals in the state climate action plan pursuant to Title 38, section 577. The director shall consult with the Department of Environmental Protection in developing this portion of the plan;

(c) Include a section devoted to wind energy development, including:

(i) The State's progress toward meeting the wind energy development goals established in Title 35-A, section 3404, subsection 2, including an assessment of the likelihood of achieving the goals and any recommended changes to the goals;

(ii) Examination of the permitting process and any recommended changes to the permitting process;

(iii) Identified successes in implementing the recommendations contained in the February 2008 final report of the Governor's Task Force on Wind Power Development created by executive order issued May 8, 2007;

(iv) A summary of tangible benefits provided by expedited wind energy developments, including, but not limited to, documentation of community benefits packages and community benefit agreement payments provided;
(v) A review of the community benefits package requirement under Title 35-A, section 3454, subsection 2, the actual amount of negotiated community benefits packages relative to the statutorily required minimum amount and any recommended changes to community benefits package policies;

(vi) Projections of wind energy developers’ plans, as well as technology trends and their state policy implications; and

(vii) Recommendations, including, but not limited to, identification of places within the State’s unorganized and deorganized areas for inclusion in the expedited permitting area established pursuant to Title 35-A, chapter 34-A and the creation of an independent siting authority to consider wind energy development applications;

(d) Include a description of activities undertaken pursuant to paragraph H; and

(e) Include a description of the State’s activities relating to the expansion of natural gas service, any actions taken by the office to expand access to natural gas in the State and any recommendations for actions by the Legislature to expand access to natural gas in the State.

The joint standing committee of the Legislature having jurisdiction over utilities and energy matters may report out legislation by February 1st of each odd-numbered year relating to the content of the plan. The joint standing committee of the Legislature having jurisdiction over natural resources matters may make recommendations regarding that legislation to the joint standing committee of the Legislature having jurisdiction over energy matters.

Sec. 2. 12 MRSA §1862, sub-§13, ¶B, as enacted by PL 2009, c. 615, Pt. B, §1 and amended by PL 2011, c. 657, Pt. W, §7; c. 682, §38 and PL 2013, c. 405, Pt. A, §24, is further amended to read:

B. In accordance with the findings in paragraph A, the following provisions apply to an application for a lease or easement for a renewable ocean energy project.

(1) No more than 30 days prior to filing applications in accordance with this paragraph, an applicant for a lease or easement for a renewable ocean energy project shall participate in a joint interagency preapplication meeting that includes the Department of Marine Resources and is in accordance with permitting procedures of the Department of Environmental Protection or the Maine Land Use Planning Commission, as applicable.

(2) An applicant for a lease or easement for a renewable ocean energy project must file and certify to the director that it has filed completed applications for requisite state permits under chapter 206-A or Title 38, chapter 3, subchapter 1, article 5-A or 6 or Title 38, chapter 5, subchapter 1, article 1, subarticle 1-B, as applicable, prior to or concurrently with submission of its submerged lands lease application under this section and shall provide a copy of any such applications to the director upon request.
(3) The director shall provide notice to the Marine Resources Advisory Council under section 6024 and any lobster management policy council established pursuant to section 6447 in whose or within 3 miles of whose designated lobster management zone created pursuant to section 6446 the proposed development is located. The Marine Resources Advisory Council and any lobster management policy council notified pursuant to this subparagraph may provide comments within a reasonable period established by the director, and the director shall consider the comments in making findings pursuant to subsection 2, paragraph A, subparagraph (6).

(4) The director may issue a lease or easement for a hydropower project, as defined in Title 38, section 632, subsection 3, that uses tidal or wave action as a source of electrical or mechanical power, for a term not to exceed 50 years, as long as the lease term is less than or equal to the term of the license for the project issued by the Federal Energy Regulatory Commission.

(5) If requested by an applicant, and with provision for public notice and comment, the director may issue one or more of the following for a renewable ocean energy project prior to issuance of a 30-year lease for the project:

(a) A lease option, for a term not to exceed 2 years, that establishes that the leaseholder, for purposes of consideration of its application for state permit approvals under chapter 206-A or Title 38, chapter 3, subchapter 1, article 5-A or 6 or Title 38, chapter 5, subchapter 1, article 1, subarticle 1-B, as applicable, has title, right or interest in a specific area of state submerged lands needed to achieve the purposes of the project as described in conceptual plans in the lease application;

(b) A submerged lands lease, for a term not to exceed 3 years, that authorizes the leaseholder to undertake feasibility testing and predevelopment monitoring for ecological and human use impacts as described in conceptual plans in the lease application and conditioned on receipt of requisite federal, state and local approvals; and

(c) A submerged lands lease, for a term not to exceed 5 years, that authorizes the leaseholder to secure requisite federal, state and local approvals and complete preoperation construction, as long as the applicant provides detailed development plans describing all operational conditions and restrictions.

(6) Except as otherwise provided in this paragraph, the annual rent for a wind energy demonstration project for which a general permit has been issued under Title 38, section 480-HH is $10,000 per year for the term of the general permit. The annual rent for a tidal energy demonstration project for which a general permit has been issued under Title 38, section 636-A is $100 per acre of submerged lands occupied by the project for the term of the general project, except that the annual rent may not exceed $10,000. As used in this paragraph, "submerged lands occupied" includes the sum of the area on which turbines, testing and monitoring equipment, anchoring or mooring lines, submerged transmission cables or other structures are placed and any additional area from which the director finds it necessary to exclude transient public trust uses to avoid unreasonable interference with the project's purposes. An annual rent is
not required for an offshore wind energy demonstration project located in the
Maine Offshore Wind Energy Research Center, as designated by the department
under section 1868, subsection 2.

(7) The director shall charge a lessee an annual rent in accordance with a fee
schedule, established by the bureau by rule, that balances state goals of assurance
of fair compensation for use and mitigation of potential adverse effects on or
conflict with existing uses of state-owned submerged lands that are held in trust
for the people of the State with state renewable ocean energy-related goals,
including state wind energy generation goals established in Title 35-A, section
3404, subsection 2. Rules adopted pursuant to this subparagraph are routine
technical rules as defined in Title 5, chapter 375, subchapter 2-A.

(8) The director may not require additional public compensation pursuant to
subsection 9.

(9) The director may issue a lease for a buffer zone comprising a land or water
area around permanent structures located on submerged or intertidal land if:

(a) The director determines such a buffer zone is necessary to preserve the
integrity or safety of the structure or fulfill the purposes of the project; and

(b) The director consults with the Commissioner of Marine Resources
regarding the need for such a buffer, its location and size and options to
minimize its potential effects on existing uses.

Sec. 3. 35-A MRSA §3152, as amended by PL 2013, c. 369, Pt. F, §§2 to 4, is
repealed.

Sec. 4. 35-A MRSA §3152-A is enacted to read:

§3152-A. Policy and findings

1. State energy policy. The Legislature declares that the primary energy policy of
the State is to reduce electric rates and costs for the State's businesses and households as
well as to reduce air pollution, including greenhouse gas emissions pursuant to Title 38,
section 576, cost-effectively and to the maximum extent practicable.

2. Increased efficiency. The Legislature declares and finds that improvements in
transmission and distribution utility rate design and related regulatory programs have
great potential for reducing the cost of electric utility services to consumers, for
encouraging energy conservation and efficient use of existing facilities and for
minimizing the need for expensive new electric transmission capacity. It is the purpose of
this chapter to:

A. Require the commission to relate transmission and distribution rates more closely
to the costs of providing transmission and distribution service;

B. Require the commission to consider the ability of low-income residential
customers to pay in full for electric services as transmission and distribution rates are
redesigned consistent with these policies; and
C. Require the commission to set rates to the extent practicable to achieve economic efficiency.

Sec. 5. 35-A MRSA §3210, sub-§1, as amended by PL 1999, c. 398, Pt. I, §1, is repealed.

Sec. 6. 35-A MRSA §3404, as amended by PL 2009, c. 615, Pt. A, §§3 and 4, is repealed.

Sec. 7. 35-A MRSA §3453, sub-§2, as enacted by PL 2007, c. 661, Pt. A, §7, is repealed.

Sec. 8. 35-A MRSA §3473, sub-§1, as enacted by PL 2013, c. 562, §1, is amended to read:

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.

Sec. 9. 35-A MRSA §3474, as enacted by PL 2013, c. 562, §1, is repealed.

SUMMARY

This bill changes the State's energy goals to establish that the primary objectives of the State's energy policy are to reduce electric rates and costs and to reduce air pollution.