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Legislative Document

No. 9

S.P. 16

In Senate, January 13, 2021

An Act To Promote Renewable Energy by Authorizing a Power-to-fuel Pilot Program

Received by the Secretary of the Senate on January 11, 2021. Referred to the Committee on Energy, Utilities and Technology pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator LAWRENCE of York.

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

2 **Sec. 1. 35-A MRSA §3212-B** is enacted to read:

3 **§3212-B. Power-to-fuel pilot program**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings.

6 A. "Power-to-fuel pilot program" means a pilot program established by the
7 commission pursuant to this section.

8 B. "Power-to-fuel project" means a facility that converts renewable energy to hydrogen
9 gas, methane gas or other fuel.

10 C. "Renewable energy" means electricity generated from renewable resources,
11 including, but not limited to, wind, solar and tidal power.

12 D. "Thermal renewable energy credit" has the same meaning as in section 3210,
13 subsection 2, paragraph E.

14 **2. Power-to-fuel pilot program; criteria.** The commission shall establish a power-
15 to-fuel pilot program in accordance with this section. Between January 1, 2022 and
16 December 31, 2027, the commission shall approve up to 2 power-to-fuel projects under the
17 program. In implementing a power-to-fuel pilot program, the commission shall:

18 A. Limit the production capacity of a power-to-fuel project to 10 megawatts;

19 B. Prioritize power-to-fuel projects with lower greenhouse gas emissions; and

20 C. Require that no thermal renewable energy credits may be bought or sold in relation
21 to fuel produced by a power-to-fuel project.

22 **3. Exemptions for sales of electricity to a power-to-fuel project.** Sales of electricity
23 to a power-to-fuel project under the power-to-fuel pilot program are exempt from:

24 A. Distribution charges regulated by the commission, including but not limited to
25 volumetric, demand and standby charges;

26 B. Charges associated with the procurement of energy efficiency resources by
27 transmission and distribution utilities ordered under section 10110, subsection 4-A; and

28 C. Renewable portfolio standards requirements under section 3210, subsections 3-A,
29 3-B and 3-C.

30 The exemptions provided under this subsection begin on the date of operation of a power-
31 to-fuel project and end 15 years after that date, except that the commission may approve
32 continuation of the exemptions beyond 15 years on the basis of project need.

33 **Sec. 2. Report.** The Public Utilities Commission, by November 1, 2023, shall submit
34 a report to the joint standing committee of the Legislature having jurisdiction over energy
35 and utility matters regarding the progress made on establishing the power-to-fuel pilot
36 program under the Maine Revised Statutes, Title 35-A, section 3212-B, including the
37 number of power-to-fuel projects approved under the pilot program, a description of the
38 participating project or projects and the amount of renewable energy converted into
39 hydrogen gas, methane gas or other fuel by the participating project or projects. The joint
40 standing committee may report out a bill to the Second Regular Session of the 131st

1 Legislature based on the report, which may include legislation to extend, repeal or make
2 permanent the pilot program.

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SUMMARY

4 This bill requires the Public Utilities Commission to establish and oversee a power-to-
5 fuel pilot program. The commission is required to approve up to 2 power-to-fuel projects
6 between January 1, 2022 and December 31, 2027, each up to 10 megawatts in production
7 capacity, that convert renewable energy to hydrogen gas, methane gas or other fuel. Under
8 the pilot program, sales of renewable energy to a power-to-fuel project are exempt from
9 distribution charges, charges associated with the procurement of energy efficiency
10 resources and renewable portfolio standards requirements for a period of 15 years from the
11 date of operation of the power-to-fuel project. The bill requires the commission to submit
12 a report on the pilot program by November 1, 2023 to the joint standing committee of the
13 Legislature having jurisdiction over energy and utility matters.