126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document **No. 1252**

H.P. 886 House of Representatives, March 27, 2013

An Act To Improve Maine's Economy and Energy Security with Solar and Wind Energy

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

Millicent M. MacFarland

MILLICENT M. MacFARLAND
Clerk

Presented by Representative MORRISON of South Portland.
Cosponsored by Senator GRATWICK of Penobscot and
Representatives: CHENETTE of Saco, HAMANN of South Portland, HOBBINS of Saco, NELSON of Falmouth, TIPPING-SPITZ of Orono, Senator: MILLETT of Cumberland.

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

Sec. 1. 35-A MRSA §3603, sub-§2, ¶¶B, C and D, as enacted by PL 2009, c. 329, Pt. A, §4, are amended to read:

B. The total installed generating capacity of all program participants combined may not exceed ~~50~~ 60 megawatts.

C. The total installed generating capacity of program participants within the service territory of a single investor-owned transmission and distribution utility may not exceed ~~25~~ 30 megawatts, unless a higher capacity limit is authorized by the utility and approved by the commission. The commission shall determine a generating capacity limit for the service territory of each investor-owned transmission and distribution utility at the outset of the program, taking into consideration the utility's electric load and share of electricity market in the State. The commission may modify the generating capacity limit under this paragraph based on program experience.

D. Of the ~~50-megawatt~~ 60-megawatt limit on total generating capacity under paragraph B, 10 megawatts must be reserved at the outset of the program for program participants that:

(1) Have an installed generating capacity of less than 100 kilowatts; or

(2) Are located in the service territory of a consumer-owned transmission and distribution utility.

The commission may modify the amount of generating capacity reserved under this paragraph based on program experience.

Sec. 2. 35-A MRSA §3603, sub-§2, ¶D-1 is enacted to read:

D-1. Of the 60-megawatt limit on total generating capacity under paragraph B, 10 megawatts must be reserved for program participants that install solar-powered generating systems.

Sec. 3. 35-A MRSA §3604, sub-§5, as enacted by PL 2009, c. 329, Pt. A, §4, is amended to read:

5. Contract pricing; cost containment. The commission shall ensure that in any contract entered into pursuant to this section:

A. ~~The~~ Except with regard to paragraph C, the average price per kilowatt-hour within each contract year does not exceed 10¢ in 2009 dollars, as determined by the commission according to the Consumer Price Index; ~~and~~

B. The cost of the contract does not exceed the cost of the project plus a reasonable rate of return on investment as determined by the commission~~.~~; and

C. For eligible solar-power generation, the average price per kilowatt-hour within each contract year does not exceed 15¢ in 2013 dollars, as determined by the commission according to the Consumer Price Index.

Sec. 4. 35-A MRSA §3609, as enacted by PL 2009, c. 329, Pt. A, §4, is amended to read:

§3609. Repeal; authority for legislation

This chapter is repealed December 31, ~~2015~~ 2017. The joint standing committee of the Legislature having jurisdiction over utilities and energy matters may report out legislation regarding this program to the First Regular Session of the 126th Legislature.

Sec. 5. 35-A MRSA §10112-A is enacted to read:

§10112-A. Solar and wind energy rebate program

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

A. "Qualified solar energy system" means a solar photovoltaic system or a solar thermal system.

B. "Qualified solar thermal water system installer" means a person who has been certified by the trust to install solar thermal systems designed to heat water and who holds a current license from the State as a master plumber, as a master oil burner technician or as a propane and natural gas technician or has been certified as a type II, type III or universal heating, ventilation and air conditioning refrigeration technician through a certification program approved by the United States Environmental Protection Agency.

C. "Qualified wind energy system" means any device, such as a wind charger, windmill or wind turbine and associated facilities, with a peak generating capacity of 100 kilowatts or less that converts wind energy to electrical energy for use primarily in a residence, public facility or place of business that is located in an area with demonstrated wind power potential.

D. "Solar photovoltaic system" means a solar energy device with a peak generating capacity of 100 kilowatts or less used for generating electricity for use in a residence or place of business.

E. "Solar thermal system" means a configuration of solar collectors and a pump, heat exchanger and storage tank or fans designed to heat water or air for the purpose of space heating, domestic water heating or both space and domestic water heating. Solar thermal system types include forced circulation, integral collector storage, thermosyphon and self-pumping systems.

2. Solar and wind energy rebate program. To the extent that funds are available in the fund established in subsection 5 and the requirements of subsection 3 are satisfied, an owner or tenant of residential or commercial property located in the State is entitled to a rebate for a qualified solar energy system that is installed in accordance with this subsection after July 1, 2013 that will be connected to the electrical grid or a qualified wind energy system that is installed in accordance with this subsection after July 1, 2013 that will be connected to the electrical grid. The trust shall set rebate levels for qualified solar energy systems and qualified wind energy systems. In setting rebate levels, the trust

may consider market demand for qualified solar energy systems and qualified wind energy systems, program implementation experience and other factors relevant to the solar and wind energy rebate program.

A. To qualify for a rebate, a solar photovoltaic system must be installed by a master electrician who has been certified by a North American board of certified energy practitioners or by a master electrician working in conjunction with a person who has been certified by a North American board of certified energy practitioners.

B. To qualify for a rebate, a solar thermal system designed to heat water must be installed by a qualified solar thermal water system installer and, if the solar thermal system is designed to heat potable water, it must be installed by a qualified solar thermal water system installer who holds a current license as a master plumber or by a qualified solar thermal water system installer working in conjunction with a master plumber.

C. To qualify for a rebate, the electrical components of a qualified wind energy system must be installed by a master electrician or by a factory-trained and approved dealer for the qualified wind energy system working under the supervision of a master electrician.

In the case of a newly constructed residence, the rebate must be available to the original owner or occupant.

3. Energy audit requirement; solar photovoltaic system. To qualify for a rebate for a solar photovoltaic system under this section, an owner or tenant of residential or commercial property located in the State must demonstrate to the satisfaction of the trust that an energy audit has been completed.

4. Limitation to residents of State. Participation in the solar and wind energy rebate program established in this section is limited to residents of the State.

5. Funding. The commission shall assess transmission and distribution utilities to collect funds for the solar and wind energy rebate program established in this section. The amount of all assessments by the commission under this subsection must result in total program expenditures by each transmission and distribution utility that do not exceed 0.005 cent per kilowatt-hour. To the extent practicable, the commission shall establish and collect the assessment in a manner that is consistent with the assessment made under section 10110. There is established a solar and wind energy rebate program fund to be used by the trust solely for the purposes of this section. All assessments made under this section must be transferred to the solar and wind energy rebate program fund. Any interest on funds in the fund must be credited to the fund. Funds not spent in any fiscal year remain in the fund to be used for the purposes of this section. The trust shall determine the allotment of the fund in each fiscal year between solar photovoltaic system rebates, solar thermal system rebates and qualified wind energy system rebates.

6. Repeal. This section is repealed June 30, 2018.

Sec. 6. Report on solar requirements. By January 15, 2014, the Public Utilities Commission shall submit to the Joint Standing Committee on Energy, Utilities and Technology a report outlining options and issues in establishing a solar carve-out within

the State's renewable portfolio standard as established in the Maine Revised Statutes, Title 35-A, section 3210. A solar carve-out is an amount of energy purchased that must be solar energy. The report must identify key policy determinations and summarize solar carve-out policies in other states, such as Pennsylvania and Massachusetts. The report must provide estimates for the scope of a carve-out that might be needed in the State to significantly increase generation of solar power and provide capacity resource diversity. The report must include quantitative and qualitative information about costs and benefits of a solar carve-out, including a carve-out of the existing renewable portfolio standard and a carve-out that was additional to the existing renewable portfolio standard.

SUMMARY

This bill reinstates the solar and wind energy rebate program, which provided rebates for the purchase of certain solar and wind energy equipment, until June 30, 2018. The program had expired December 31, 2010. This bill also increases the limit on the total amount of renewable capacity allowed under the community-based renewable energy pilot program from 50 megawatts to 60 megawatts and requires the Public Utilities Commission to reserve 10 megawatts in that program for solar-powered generating systems. The bill increases the limit on the contract price the commission can authorize for eligible solar-power generation and indexes the price limit to the Consumer Price Index. It also extends the repeal date for the Community-based Renewable Energy Act from December 31, 2015 to December 31, 2017. The bill requires the commission to submit to the Legislature by January 15, 2014 a report on options for establishing a solar carve-out, or solar set-aside, an amount of energy purchased that must be solar, within the State's renewable portfolio standard.