

Maine Public Utilities Commission Deliberations
September 22nd, 2020 10:00am
Worster Room

CHAIR BARTLETT:

Good Morning, welcome to the deliberations of September 22nd, 2020. We have three items on our agenda:

The first is Docket No. 2020-33. During it's 2019 session the Maine Legislature enacted an *Act To Reform Maine's Renewable Portfolio Standard* which directed the Commission to conduct two competitive solicitation processes to procure in the aggregate an amount of energy or renewable energy credits from Class 1A resources that is equal to 14% of retail electricity sales in the state during calendar year 2018, or 1.715 million MWh. Of that 14% total, the act directs the Commission to acquire at least 7% but not more than 10% through contracts approved by December 31st, 2020 and to acquire the remaining amount through solicitation process to be initiated no later than January 15th, 2021. The act further requires that, to the extent sufficient resources are available, 75% of the amounts procured must come from new resources that began commercial operation after June 30th, 2019 and 25% from existing resources that began commercial operation prior to that. The act also requires us to weigh the benefits to ratepayers and the benefits to the State's economy. For this first tranche, the Commission received proposals for more than 70 projects, many of which included various options such as for different products, contract term lengths and pricing. Commission Staff notified bidders whose projects were identified as being on the "short list", meaning that the projects were sufficiently competitive with respect to price and the proposed economic benefits to the State to engage in the process of preparing term sheets. The target mega-watt hours amounts to be procured in tranche 1 are between 643,125 and 918,750 MWh for new Class 1A resources and between 214,375 and 306,250 MWh from existing Class 1A resources. Based on review of the term sheets, Staff analysis and consideration of the statute of the procurement criteria, I approve the following term sheets for new projects:

- BNRG Dirigo's Churchill project, a 20 MW solar project
- BNRG Dirigo's Eddington project, a 20 MW solar project
- Freepoint's Alfred project, a 50 MW solar project
- Glenvale's Baldwin project, a 6.2 MW solar project
- Glenvale's Enremeadow project, a 16.3 MW solar project
- Glenvale's Topsham project, an 18 MW solar project
- Granite Apollo's Campton project, a 65 MW solar project
- Granite Apollo's Roxbury project, a 55 MW solar project
- SWEB Development's Silver Maple project, a 20 MW wind project selecting the escalating price option
- Swift Current's Three Rivers project, a 100 MW solar project

- Waldo Renewables Fairley project, a 17 MW solar project with a fixed price option
- Waldo Renewables Leeds project, 20 MW solar again selecting the fixed price option
- Waldo Renewables Madison project, 20 MW solar project again selecting the fixed price option
- Waldo Renewables Mousan project, 20 MW solar project again selecting the fixed price option
- Waldo Renewables Sweden project, a 35 MW solar project again selecting the fixed price option

I also approved the term sheets for the following existing projects:

- Brookfield's Androscoggin Three project, a 4.5 MW hydro project
- ReEnergy's Livermore Falls project, a 39 MW biomass project

These projects are to collect 492.5 MW or 900,165 MWh from new resources and 43.5 MW or 252,554 MWh from existing resources. The first-year energy prices for new projects range from \$29.75 per MWh to \$42.00 per MWh, reflecting a weighted average energy price of under \$35.00 per MWh. For the single existing facility awarded a term sheet for energy, the first-year price is \$53 per MWh. The economic benefits to be provided to the Maine economy by these facilities in the aggregate are estimated by the developers to be as follows:

More than 450 full time equivalent jobs during the construction phase and more than 30 full time equivalent jobs in each year of the operation phase. Initial capital spending with Maine based entities of more than \$145 million, purchases of goods and services from Maine-based entities averaging more than \$3 million annually during the 20 year term contract, payments of taxes to Maine entities and payments to host communities averaging \$4.7 million annually during the 20 year contract term, payments to Maine based contractors for the harvest of wood fuel averaging \$11-\$12 million annually during the 20 year contract term, and reductions in greenhouse gas emissions estimated to be approximately 500,000 tons/year of full operations.

To ensure that the proposed economic benefits are fulfilled during the term of these long term contracts, the term sheets provide that the economic benefit obligations would be incorporated into the contracts which will include an annual evaluation process in which the Commission will determine and verify the extent to which each seller has met its economic benefits obligations. If a seller does not meet those obligations the contract price may be adjusted downward. This will help ensure that Maine ratepayers get the full benefit of the bargain. Commission Staff will work with the owners and developers of the resources whose term sheets have been approved and with CMP and Versant to develop final contracts that are consistent with the approved term sheets. I delegate approval of the final contracts to the Director of Electric and Natural Gas Facilities. As a final note, I would note that these procurements were pretty extensive undertakings and

required a tremendous amount of work by our Staff, both our analysts and legal team and I want to thank them for their efforts. Commissioner Williamson?

COMMISSIONER WILLIAMSON:

Thank you, Chair Bartlett. I concur with the selection of the projects and the term sheets associated with those projects. I also think it's important the annual evaluation process. You mentioned how much work it took to do this – each of those annual evaluations, which are critical to maintaining or ensuring the delivery of economic benefit to the State, it's also going to require a lot of Staff time and I concur with the idea of delegating this annual work to the Director of Electricity and Gas. Thank you. Commissioner Davis?

COMMISSIONER DAVIS:

Yes, thank you. I concur and approve the term sheets as detailed by Chair Bartlett. I also approve directing Commission Staff to work with the owners and developers, Central Maine Power and Versant Power to develop the final contracts and, finally, I also approve delegating approval of the final contracts to Director of Electric and Natural Gas Industries. Thank you.