

**MEETING SUMMARY
NOVEMBER 16, 2007
WIND POWER TASK FORCE MEETING**

Introductory Matters

Chair Alec Giffen opened the meeting and welcomed those in attendance. Mr. Giffen outlined the following as the primary focal points of the meeting:

- Continued discussion of issues and options concerning permitting of grid-scale wind power projects; and
- Discussion of approaches to maximizing benefits of wind power development to Maine citizens and communities.

Mr. Giffen also noted that prior to presentation and discussion of these matters the Task Force would consider the following:

- Update from Community Wind Subcommittee;
- Report on potential application of alternative assumptions by Sustainable Energy Advantage (Bob Grace's study); and
- Video of Maine sites where wind energy development has been proposed.

Update from community wind subcommittee

Representative Bruce MacDonald provided a report on the progress of the Task Force's subcommittee on community wind development. Representative MacDonald explained that at its most recent subcommittee meetings on October 29th and November 9th the subcommittee had presentations from the city of Saco, Camden Hills Regional High School, and distributors of SkyStream 3.7 turbines. He noted that both meetings were well-attended with discussions involving all participants and that these discussions, together with information presented to the Task Force, have helped the subcommittee form its conclusions.

Representative MacDonald explained that the following two general ideas have emerged from the subcommittee's discussions and underlie some of the potential recommendations it is considering:

- A key aspect of community wind is its educational opportunity; and
- Community wind is a broad term, comprising three project classes/sizes.

Representative MacDonald noted that the subcommittee has identified the following as potential recommendations for consideration at its next meeting:

- Development of a model wind ordinance.
- Provision of financial incentives/economic assistance.
- Steps to address obstacles at the feasibility (i.e. pre-construction) stage.
- Development of a program to encourage turbine placement at schools.

- Change to PUC rules regarding proximity of use (re: siting of turbines for use by the owner).

Report on application of alternative assumptions/analysis prepared by Sustainable Energy Advantage (Bob Grace, et al.)

At the Task Force's October 30th meeting, Pete Didisheim invited members' suggestions on potential changes in assumptions in modeling of Maine's wind energy development potential prepared by Bob Grace and his consultant team and presented at that meeting. (Mr. Grace's presentation is available at: <http://www.maine.gov/doc/mfs/windpower/summaries.shtml>) Mr. Didsheim explained that NRCM has passed along the following guidance to Mr. Grace and his team based on input from Task Force members and further discussions of the study project's steering committee:

- Model more aggressive assumptions about technology advancement, viability of low-wind areas

Some Task Force members and stakeholders believe that substantial wind potential exists in Northern Maine—areas with winds below Power Class 1, but where large projects with good economies of scale might be viable. Some Task Force members and others also suggested more aggressive assumptions about wind technology development—taller towers, more efficient turbines, etc.

- a. Priority: lower Power Class to include viable lower-wind areas in potential/supply analysis.
 - b. Priority: Model capacity factors increasing over time along curve.
 - c. Also desired: Increase power density (MW/km²) as appropriate for Ridgecrest.
 - d. *Possibly: Reduce cost/efficiency assumptions for offshore wind.*
- Increase projections of greenhouse gas reductions from other sectors
Some stakeholders believe that we should plan for greater emission reductions from transportation, new electrical generation technology, and other sectors and rely slightly less on wind generation.
 - a. Priority: Change CO₂ reductions from electricity sector from 75% to 65% (perhaps a sensitivity analysis here).
 - b. Also desired: Include aggressive but defensible amount of “new technology” capacity (solar, tidal, fuel cell).
 - Generate additional output maps
 - a. Priority: Show windy areas subject to one of the 100% exclusions (i.e., the reverse of developable windy land shown in existing map).
 - b. Priority: Show which windy areas are above 2700 ft (in protected zone), with gradients according to secondary exclusion percentages.
 - Land use exclusions

Review of the 100% exclusion layers suggests that the analysis did a reasonably good job of identifying those areas that could easily be categorically removed from the analysis.

- a. If budget allows: Conduct a sensitivity analysis for exclusions for National and State Forest (mostly relevant in VT and NH)

Mr. Didisheim noted that information resulting from use of these changed modeling assumption can be made available for the Task Force's consideration at a subsequent meeting.

Video presentation

Alec Giffen narrated an aerial video shot by DOC of sites in Maine where grid-scale wind energy development has been proposed. As Mr. Giffen explained, the purpose of the presentation was to provide a general, visual sense of the terrain in which these developments have been proposed.

Discussion of straw proposals for change to Maine's approach to permitting grid scale wind energy projects

Todd Burrowes presented a memo outlining four straw proposals, developed based on ideas and issues identified at prior Task Force meetings, for changes in the state regulatory framework for permitting grid-scale wind power projects. A copy of this memo is available at:

www.maine.gov/windpower/summaries.shtml

Approaches to maximizing benefits of wind power development to Maine citizens and communities

PUC chair Kurt Adams, Public Advocate Dick Davies, and Jack Cashman of the Governor's staff made a panel presentation to Task Force on options for achieving tangible benefits to Maine people from wind power development. Mr. Adams noted that ideas presented were not offered as positions on pertinent policy issues but as a universe of possibilities for the Task Force's consideration. The following concepts, presented in four basic categories - economic development incentives, general ratepayer benefits, special ratepayer benefits and taxation - were discussed:

- Economic development incentives: Establishment of areas, akin to the State's "Pine Tree development zones", within which location of wind energy development would be encouraged through a package of incentives to investment specifically geared to the wind industry. Such an approach may facilitate creation of alternative energy clusters, aggregations of renewable energy related businesses. There was also discussion of the concept of energy industrial parks in rural areas, where renewable energy generators would have incentives to supply electric power at favorable rates.
- General ratepayer benefits: Adding additional wind power generation capacity in Maine without relieving transmission congestion might help to keep Maine's electric rates relatively low (as compared with other NE states). However, federal law changes made in the Energy Policy Act of 2005 regarding restriction of access to energy resources and economic forces ("Bryant effect") limit states' ability to rely on congestion as a price regulator. Commissioner Adams noted that how much additional transmission is needed to address wind and other energy generation expected to go on line is a major issue before the PUC, which anticipates certificate requests for two or more major transmission upgrades in the coming year.

- Special ratepayer benefits: Generator provides value to one or more classes of customers as a means to demonstrate project-related public benefit. Jack Cashman noted direct sale of power from a wind power generator to a manufacturing company at a negotiated rate that helps stabilize the company's long-term power costs as an approach to ensuring public benefit that may merit consideration to the extent such opportunities are available.

There was discussion of the concept of a generalized requirement that Maine energy projects provide in-state public benefits. Considerations noted included recognition that projects sited in Maine serve out of state energy supply needs and that, in Maine's deregulated energy generation market, care need be taken lest state efforts to ensure provision of public benefits from these private development projects discourage investment. Some Task Force members expressed reservations about subjecting wind power development to "public benefits" requirements inapplicable to other types of energy or other development.

Task Force's discussion of straw proposals

Following discussion, the Task Force decided to focus on straw proposals 3 and 4 and directed staff to provide a more detailed description of these proposals for consideration at its December 7, 2007 meeting. The following were suggested as points to address in further detailing straw proposals 3 and 4:

- Clarification of how each straw proposal would change LURC's decision-making criteria.
- Assurance that a continued meaningful role for LURC is not dependent on its designation of only minimal areas within which wind power is an allowable use.
- Assurance that in those areas (currently zoned P-MA or M-GN) which LURC would rezone to provide for wind power development as an allowable use incidental crossing or siting that affects a protection district located within those areas would not trigger a rezoning requirement.
- Clarification that under LURC zoning, as revised, the applicant's burden to justify rezoning to accommodate wind power development in certain areas with significant natural resources values (where wind power development is not made an allowable use) will be equal to or greater than that under current law.
- Consistency of making LUC and BEP chairs *ex officio* members of the new siting authority (as per straw proposal 3) with the goal of relieving the burden on these citizen boards.
- Clarification of how the two public member positions on the new siting authority (straw proposal 3) would be funded using fees assessed to applicants.
- Clarification that LURC rezoning is not required under current law for development of transmission lines.
- Clarification of the definition of "public benefits" or comparable terminology as used for regulatory purposes (both straw proposals), and the type of information that an applicant would present to demonstrate compliance and how that information would be considered by the decision making authority.
- Relative costs of the different approaches (costs to applicants, assuming funded by fees)

- Clarify that mitigation of wetlands will continue to be required and other mitigation requirements, if any, will be related to project-specific effects and not subject wind power projects to requirements inapplicable to comparable types of development.
- Options for a single determination of certain "public benefits" provided by wind power generally as opposed to case by case determination, including potentially contested hearing, on such matters.
- Reference to specific DEP and LURC statutes and rules that would be amended to implement each straw proposal.
- Scope and nature of activities (e.g., met tower construction) subject to regulation by DEP and LURC respectively under current law.