STATE OF MAINE
PUBLIC UTILITIES COMMISSION

SHARON M. REISHUS
CHAIRMAN

VENDEAN V. VAFIADES
JACK CASHMAN
COMMISSIONERS

May 3, 2010

Honorable Barry Hobbins, Senate Chair
Honorable Jon Hinck, House Chair
Joint Standing Committee on Utilities and Energy
115 State House Station
Augusta, Maine 04333-0115

Re: LD 1348 – Resolve, To Provide Grants to Public Educational and Municipal Entities for Feasibility Studies of Renewable Energy Projects (Resolves 2009, Chapter 65)

Dear Senator Hobbins and Representative Hinck:

During the 2009 session, the Legislature enacted L.D. 1348, Resolve, To Provide Grants to Public Educational and Municipal Entities for Feasibility Studies of Renewable Energy Projects. Resolves 2009, c. 65.

Section 1 provides that the Public Utilities Commission (Commission) shall, to the extent allowed, apply Federal American Recovery and Reinvestment Act (ARRA) funds to provide grants to public educational and municipal entities to conduct feasibility studies for the installation and operation of cost-effective renewable energy projects on public property. Section 3 directs the Commission to prepare and submit an interim report to the Utilities and Energy Committee by April 1, 2010, and a final report by December 31, 2011, regarding the grants provided.

As you know, the Renewable Resources Fund (Fund) supports small-scale demonstration projects designed to educate the community on the cost-effectiveness of harnessing natural resources for clean electricity. Those eligible for funds include municipalities and schools. The Fund is supported by voluntary contributions consumers make via electric bills and alternative compliance mechanism payments.[1] In addition, during 2009 and 2010, $600,000 of Federal ARRA funds were made available for these grants.

The Commission intends to issue a Request For Proposals (RFP) this week for demonstration projects under the Renewable Resources Fund using ARRA funds and grant awards pursuant to this RFP which will include feasibility studies for the installation and operation of cost-effective renewable energy projects.

[1] In 2008, the Legislature required that electricity providers who did not meet Maine's renewable energy portfolio standards would have to pay into an alternative compliance fund. The Commission was instructed to collect these payments and apply them toward renewable resource grants, which has increased the annual Fund from approximately $100,000 a year to $800,000 a year. However, the language also requires that 35% of the funding be redirected to the Maine Technology Institute for similar grants.

LOCATION: 101 Second Street, Hallowell, ME 04347 MAIL: 18 State House Station, Augusta, ME 04333-0018

PHONE: (207) 287-3831 (VOICE) TTY: 1-800-437-1220 FAX: (207) 287-1039

If you have any questions regarding this interim report, please do not hesitate to contact us.

Sincerely,

Sharon M. Reishus, Chairman

On behalf of

Vendean V. Vafiades
and
John A. Cashman
Commissioners
Maine Public Utilities Commission

Attachments

cc: Utilities and Energy Committee Members
Lucia Nixon, Legislative Analyst