

MAINE PUBLIC UTILITIES COMMISSION
Review Comments

Bowers Wind Project
April 22, 2011

Introduction

The Land Use Regulation Commission (LURC) has requested that the Public Utilities Commission (PUC) provide review comments with respect to Champlain Wind, LLC's (Champlain) proposed Bowers Wind Project. The Bowers Wind Project is a 69.1 MW, 27 turbine project located in Carroll Plantation, Penobscot County, and Kossuth Township, Washington County.

An Act to Implement Recommendations of the Governor's Task Force on Wind Power Development (Act) requires LURC to determine whether the Bowers Wind Project will provide "significant tangible benefits."¹ As defined by statute, "tangible benefits" mean:

environmental or economic improvements or benefits to residents of this State attributable to the construction, operation and maintenance of an expedited wind energy development, including but not limited to: property tax payments resulting from the development; other payments to a host community, including but not limited to, payments under a community benefit agreement; construction-related employment; local purchase of materials; employment in operations and maintenance; reduced property taxes; reduced electrical rates; natural resource conservation; performance of construction, operations and maintenance activities by trained, qualified and licensed workers in accordance with Title 32, chapter 17 and other applicable laws; or other comparable benefits, with particular attention to assurance of such benefits to the host community or communities to the extent practicable and affected neighboring communities.²

The Act specifies that the siting authority shall presume the general energy and emissions-related benefits stated in statute (e.g. reduced reliance on fossil fuels, reduced emissions and energy security) and make additional findings regarding other tangible benefits.³ The provision also states that the PUC

¹ P.L. 2007, ch. 661, section C-4 (codified at 12 M.R.S.A. § 685-B(4-B)).

² 35-A M.R.S.A. § 3451(10).

³ 35-A M.R.S.A. §§ 3402(1), 3454.

(among other agencies) shall submit review comments at the request of the siting authority.⁴

The PUC is pleased to provide review comments within its areas of expertise. Thus, we comment on tangible benefit issues involving the electricity market and pricing.

Discussion

In its application for the Bowers Wind Project, Champlain stated that the Project will provide tangible benefits in that it will increase energy diversity, thereby helping to lower electricity prices and reduce price volatility in Maine. In addition, Champlain stated that the Project will help meet Maine's Regional Greenhouse Gas Initiative (RGGI) emissions limit and Renewable Portfolio Standard (RPS) policy objectives.

Although the PUC agrees that the Bowers Wind Project will have the energy diversity and price stability benefits cited by Champlain, these benefits should not be considered by LURC in its evaluation of significant tangible benefits because the Act specifies that the general energy and environmental benefits of an expedited wind energy development should be assumed and do not constitute "tangible benefits" for purposes of satisfying the significant tangible benefits requirement. The PUC suggests that the LURC consider the sale of a significant amount of the output of the wind power project to customers within the area, or to the utility under the PUC's long-term contracting authority,⁵ at fixed prices projected to below market prices or at a stated discount off of market prices, as an "electricity market tangible benefit."

It is important to note, however, that the Act does not require that a wind project provide tangible benefits from each of the categories listed in statute to meet the significant tangible benefits requirement. The project could offer no electricity pricing tangible benefits and still satisfy the requirement if there are enough benefits from the other categories listed in the statutory definition of tangible benefits. The determination of whether the overall package of benefits satisfies the significant tangible benefit requirement is for the "primary siting authority," in this case the LURC.⁶

⁴ 35-A M.R.S.A. § 3454.

⁵ Under statute, the PUC has the authority to solicit proposals from generators for long-term electricity contracts and to direct utilities to enter into such contracts. 35-A M.R.S.A. § 3210-C.

⁶ 35-A M.R.S.A. § 3454.

The PUC appreciates the opportunity to provide these comments.

DATED: April 22, 2011

A handwritten signature in black ink, appearing to read "M.M. Tannenbaum", written over a horizontal line.

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