

December 18, 2017

MAINE PUBLIC UTILITIES COMMISSION  
Long-Term Contracting

ORDER APPROVING  
AGREEMENT

VANNOY, Chairman; WILLIAMSON and DAVIS, Commissioners

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## **I. SUMMARY**

Through this Order, the Commission approves the Master Capacity and Associated Energy Purchase and Sale Agreement (Master Agreement) between Dirigo Solar, LLC (Dirigo), Central Maine Power Company (CMP), and Emera Maine, as well as the Form of Project Agreement submitted by Dirigo. The Commission also directs Central Maine Power Company (CMP) and Emera Maine to execute this Master Agreement as soon as practicable.

## **II. BACKGROUND**

On February 2, 2015, the Commission issued a Request for Proposals for Capacity and Associated Energy and Renewable Energy Credits (RFP) pursuant to 35-A M.R.S. § 3210-C and Chapter 316 of the Commission rules. In response, the Commission received multiple submissions, including a proposal from Dirigo for the purchase of capacity and associated energy from up to 75 MWac of newly developed solar photovoltaic (PV) arrays located in the CMP or the Emera Maine, Bangor Hydro District service territories.

On December 17, 2015, the Commission issued an Order Approving Term Sheet for the Dirigo proposal. Through the Term Sheet, which is nonbinding both according to its terms and the common treatment of such documents, Dirigo offered to sell the energy and some or all of the capacity from multiple solar PV projects totaling up to 75 MWac of nameplate capacity. The Term Sheet offers to sell energy on a physical basis and capacity on a financial basis pursuant to a twenty-year contract at two different pricing options. Under option one, Dirigo would sell 100% of both energy and capacity for a bundled price of \$35/MWh in the first contract year, with a 2.5% annual escalation thereafter. Under option two, Dirigo would sell 100% energy and 50% of capacity for a bundled price of \$34/MWh in the first contract year, with a 2.5% annual escalation thereafter.

In its Order Approving Term Sheet, the Commission selected the second option from Dirigo's Term Sheet. In this Order, the Commission Staff was directed to work with Dirigo, CMP, and Emera Maine to develop a final contract consistent with the provisions

of the approved Term Sheet. The Commission also required that the final contract include interim milestones for the development of the solar PV projects and stated that the approval of the Term Sheet would expire one year from the date of the Order if a final contract had not been executed. Finally, the final contract was required to be submitted to the Commission for approval as consistent with the Term Sheet and the Order Approving Term Sheet. Through an Order issued on December 21, 2016, the Commission granted an additional year, or until December 17, 2017, for Dirigo, CMP and Emera Maine to execute a contract.

Following negotiations involving Commission Staff, CMP, and Emera Maine, on November 21, 2017, Dirigo submitted the Master Agreement for Commission approval. The Master Agreement incorporates the pricing option selected by the Commission. In addition, as required by the Order Approving Term Sheet, the Master Agreement contains milestones for the development of the various solar PV projects that will comprise the total 75 MWac of nameplate capacity. The first such milestone is for agreements to be executed for each individual project covered by the Master Agreement by December 17, 2018. Accompanying the Master Agreement, Dirigo provided a Form of Project Agreement, that will be completed with the details of each individual solar PV project and mirrors all other terms and conditions of the Master Agreement. The Form of Project Agreement provides for a twenty-year contract term from each separate project's commercial operations date. Finally, Dirigo requests up to thirty days to execute the Master Agreement and a waiver from the December 17, 2017 deadline to execute a final contract to the extent necessary to execute the Project Agreements.

#### **IV. DISCUSSION and DECISION**

The Commission finds that the Master Agreement and the Form of Project Agreement are consistent with the Term Sheet and continue to offer ratepayer value under a broad range of possible energy price futures, and, therefore, both documents are approved. The Term Sheet presented the unique circumstance of multiple projects to be developed pursuant to a single proposal. Consequently, the approach of a Master Agreement and subsequent Project Agreements is permissible. In addition, the Master Agreement incorporates project development milestones, as required by the Commission's December 17, 2015 Order Approving Term Sheet. Finally, Dirigo's requests for deadlines of thirty days to execute the Master Agreement and until December 17, 2018 to execute all Project Agreements are reasonable and, accordingly, are approved.

Accordingly, the Commission

#### **ORDERS**

1. That the attached Master Capacity and Associated Energy Purchase and Sale Agreement and Form of Project Agreement between Dirigo Solar, LLC, Central Maine Power Company, and Emera Maine is hereby approved.

2. That Central Maine Power Company and Emera Maine are directed to execute the attached Master Capacity and Associated Energy Purchase and Sale Agreement as soon as practicable.

3. That approval of the attached Master Capacity and Associated Energy Purchase and Sale Agreement will expire thirty days from the date of this Order if that Master Agreement has not been executed by Dirigo Solar, LLC, Central Maine Power Company, and Emera Maine.

4. That, prior to execution, the Project Agreements be filed in this Docket for deliberations by the Commission to determine the consistency of the Project Agreements with the Form of Project Agreement and the terms as approved by the December 17, 2015 Order issued in this Docket.

Dated at Hallowell, Maine, this 18th day of December, 2017.

*/s/ Harry Lanphear*

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Harry Lanphear  
Administrative Director

COMMISSIONERS VOTING FOR: Vannoy  
Williamson  
Davis

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 11(D) of the Commission's Rules of Practice and Procedure (65-407 C.M.R. 110) within **20** days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought. Any petition not granted within **20** days from the date of filing is denied.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21** days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.