

January 29, 2016

MAINE PUBLIC UTILITIES COMMISSION
Community-Based Renewable Energy Projects
Request for Proposals (2015 Issuance)

ORDER – PART II

VANNOY, Chairman; MCLEAN and WILLIAMSON, Commissioners

I. SUMMARY

Pursuant to 35-A M.R.S. § 3604, the Commission directs Central Maine Power Company to enter into long-term contracts for energy output with three Community-Based Renewable Energy Projects: Clear Energy, LLC and Cianbro Development Corporation, a 9.9 MW solar project in Monroe, Maine; Georges River Energy, LLC, a 7.5 MW biomass plant in Searsmont, Maine; and Mayo Mill, LLC, a 310 kW hydroelectric power plant and 85.68 kW solar array in Dover-Foxcroft, Maine. The Commission also directs Emera Maine to enter into a long-term contract for energy output with Shamrock Partners, LLC, a 1.0 MW wind facility in Limestone, Maine. On December 22, 2015, the Commission issued its Part I Order describing the Commission's decision in the above-captioned proceeding. This Part II Order provides the background, analyses, and reasoning underlying the Commission's decision.

II. STATUTORY AUTHORITY

During its 2009 session, the Maine Legislature enacted An Act to Establish the Community-based Renewable Energy Pilot Program (Act), P.L. 2009, ch. 329. Part A of the Act establishes a community-based renewable energy pilot program, to be administered by the Commission, to encourage sustainable development of community-based renewable energy. 35-A M.R.S.A. § 3602.

The projects chosen to participate in the pilot program must generate electricity from an eligible renewable resource, which includes fuel cells; tidal power; solar, wind and geothermal installations; hydroelectric generators; biomass generators fueled by wood, wood waste or landfill gas; and anaerobic digestion of by-products of waste from animals or agricultural crops, food or vegetative material, algae or organic refuse. These projects must be "locally owned electricity generating facilities," which means that 51% or more of the facility must be owned by "qualifying local owners." The total installed generating capacity in the pilot program is limited to 50 MW.

On June 22, 2015 the Legislature adopted P.L. 2015 ch. 232, An Act to Amend the Community-Based Renewable Energy Program (2015 Amendment).

The Amendment makes several changes to the existing Community-based Renewable Energy Program. Among other changes, Section 5 of the Amendment directed the Commission to review all certified program participant projects that have not yet reached commercial operations to determine whether the projects are reasonably likely to achieve commercial operations within a 3-year period and, to the extent there is less capacity contracted than is allowed under Title 35-A, section 3603, subsection 2 after the removal of nonviable projects, to conduct an expedited request for proposals to select community-based renewable energy projects to become program participants and enter into long-term contracts.

III. VIABILITY ASSESSMENT AND REQUEST FOR PROPOSALS

The Commission completed its viability assessments and identified approximately 21 MW of capacity available for contract awards. On September 30, 2015, the Commission issued its 2015 Request for Proposals for community-based renewable energy projects. Pursuant to the RFP, proposals were due on or before November 6, 2015. The Commission received bids from multiple entities, totalling approximately 80 MW to fill the 21 MW of capacity available for contract awards. The proposals were for projects of varying sizes, different generator types, and located in various regions of the state. Staff reviewed all proposals and supporting documentation. One proposal was withdrawn prior to review by the Commission and all remaining proposals were submitted to the Commission for consideration.

The projects submitted for consideration included three solar photovoltaic projects, two biomass projects, three wind projects, an anaerobic digestion project and a hydro/solar PV project. The size of the projects ranged from less than 1 MW to 10 MW and the proposed pricing ranged from 6.7 cents/kWh to 10 cents/kWh. All projects proposed a 20-year contract term.

IV. DECISION

As noted, the Commission received proposals from projects that total well in excess of the capacity available for contract awards. The 2015 Amendment directs the Commission to select projects that provide the most benefit to ratepayers; that have contract pricing levels below \$0.10 per kilowatt hour within each contract year; and to meet the maximum pilot program allowance of 50 MW.

The Commission is given broad discretion in determining which projects will bring the most benefit to ratepayers. The community-based pilot program currently includes contract awards for projects totaling slightly more than 29 MW. Of this amount of capacity, 18.6 MW is with wind projects, 7.1 MW with biomass, 3 MW with a farm-based anaerobic digester and less than 1 MW with hydro. In this instance, the Commission notes that given that this program is a pilot, a broad diversity of generation technologies and regional representation is

especially beneficial. Additionally, in considering the proposals, the Commission takes into account issues of viability; permitting status; price; engineering and design status; and state and local economic benefits. Finally, the Commission considers issues related to whether the proposed project meets the specific requirements of the pilot program such as obtaining a resolution of support from the municipal legislative body in the municipality in which the project is to be located and whether the project meets the requirement for 51% qualifying local ownership.

Based on these factors, the Commission finds that the following project proposals best fulfill the criteria and appear to have a clearer development path with fewer impediments to achieving success:

1. Clear Energy-Monroe. Clear Energy- Monroe is a 9.9 MW AC capacity, solar PV facility to be located in Monroe, Maine. It would interconnect to the CMP system at a 12.47kv distribution line 5,800 feet from the facility. The project would be 30% equity owned by Clear Energy, LLC and 70% equity owned by Cianbro Development Corporation, both Maine companies. The Selectmen of the Town of Monroe passed a resolve in support of the project on October 30, 2015. A resolution of support from the municipal legislative body is still needed. The developers have project development ability and experience with permitting and constructing solar installations. The COD is anticipated in the autumn of 2016. The proposed price is \$0.0845 per kWh for a 20-year term;
2. Georges River Energy, LLC. Georges River is a 7.5 MW net capacity, wood-fired biomass cogeneration system located at the Robbins Lumber sawmill in Searsmont. It will use a locally-sourced blend of bark, hog fuel, sawdust and wood chips as biomass fuel. The proposed plant would use fuel produced by the Robbins sawmill and pine pulpwood produced by logging contractors in Waldo and Knox County. Waste heat produced in the biomass plant would be used to dry lumber and heat the mill buildings. Georges River is a Maine LLC wholly owned by Robbins Lumber, a family owned mill that has been in operation since 1881. Robbins Lumber is 100% owned by members of the Robbins family, all Maine residents. The Selectmen passed a resolve in support of the project. A resolution of support from the municipal legislative body is still needed. The developers have general project development ability and experience. COD is expected Q1 2018. The proposed price is \$0.099 per kWh for a 20-year term;
3. Mayo Mill, LLC. Mayo Mill is a 310 kW hydroelectric and 85.68 kW DC (396 kW total capacity) solar PV facility to be located in Dover-Foxcroft, Maine. It would interconnect to the CMP system at the 1908 American Woolen Mill at the Riverfront Redevelopment

Project II at 5 East Main Street. The project is owned by the Town of Dover-Foxcroft, which has granted a lease to Mayo Mill LLC (75% owned by Charles Arnold of Topsham, Maine) to manage and operate the project. At a Special Town Meeting Referendum on November 3, 2015, the Town of Dover-Foxcroft voted to authorize the Board of Selectmen to petition the Commission for certification. The COD is October 2016. The proposed price is \$0.10 per kWh for a 20-year term; and

4. Shamrock Partners, LLC. Shamrock Wind is a 1 MW wind (1 turbine) project to be located on farm fields in Limestone. The proposal represents a re-located (outside of Fort Fairfield) and significantly re-sized wind project that has been certified by the Commission. The new site is directly north of the original site by 1 mile on 100 acres of farm land. Ownership remains the same as the original proposal. A resolution of support from the municipal legislative body has not yet been obtained. COD is expected in late 2017, or no later than late 2018. The proposed price is \$0.083 per kWh for a 20-year term.

The Commission notes that these projects have not yet been certified as Community-Based Renewable Energy Projects consistent with the requirements of Chapter 325. However, the proposals contain sufficient information to determine that the projects would meet the pilot program eligibility requirements contained in Section 4(A) of Chapter 325. Each project must obtain such certification prior to execution of any contract with a T&D utility.

Accordingly, the Commission

ORDERS

1. That Central Maine Power Company enter into the following long-term contracts:
 - a. Clear Energy, LLC, a 9.9 MW utility scale solar array in Monroe, Maine, for a 20-year term at a price of \$0.0845 per kWh;
 - b. Georges River Energy, LLC, a 7.5 MW net generating capacity biomass plant located on the grounds of the Robbins Lumber mill in Searsmont, Maine, for a 20-year term at a price of \$0.099 per kWh; and
 - c. Mayo Mill, LLC, a 310 kW hydroelectric power plant and a 85.68 kW solar photovoltaic array located at the Riverfront

Redevelopment Project in Dover-Foxcroft, Maine, for a 20-year term at a price of \$0.10 per kWh.

2. That Emera Maine enter into the following long-term contract:
 - a. Shamrock Partners, LLC, a 1.0 MW wind generator located in Limestone, Maine, for a 20-year term at a price of \$0.083 per kWh.

Section 107(4) of Title 35-A provides that the Commission may delegate to its staff such powers and duties as the Commission deems proper. Pursuant to this authority, the Commission hereby grants to the Director of Electric and Gas Utility Industries the authority to approve proposed modifications to the terms and conditions of the standard form contract for the Community-Based Renewable Energy Pilot Program and the authority to certify any project as a Community Based Renewable Energy Project consistent with the requirements of Section 4 of Chapter 325 of the Commission's Rules.

Consistent with provisions in statute and the rule, 35-A M.R.S.A. § 3604(8) and Ch. 325, § 6, the Commission will allow CMP and Emera Maine to recover in rates all costs of the contracts entered into, including but not limited to any effects on the utilities' cost of capital.

Dated at Hallowell, Maine, this 29th day of January, 2016.

BY ORDER OF THE COMMISSION

Harry Lanphear

Harry Lanphear,
Administrative Director

COMMISSIONERS VOTING FOR: Vannoy
McLean
Williamson

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.