

Summary of Substitute offered by Senator Peter Mills to LD 1504

New Title: “An Act to Provide Predictable Economic Benefits to Maine Communities that Host Wind Power Projects”

In 2008, the Legislature enacted the Maine Wind Energy Act that establishes goals to develop 2,000 megawatts (MW) of wind power in Maine by 2015 and 3,000 MW by 2020. The new law modernized Maine’s permitting process for wind power development, established expedited permitting areas to help guide developers toward parts of Maine more appropriate for wind power, and created a new permitting requirement that wind power projects provide “tangible benefits” to Maine people. The “tangible benefits” requirement was not defined in a precise way in the statute, and thus it remains vague and uncertain how it will be applied to each project. This uncertainty can be problematic for the host community, and for the developer. Based on experience to-date, a more standardized “tangible benefits” requirement should be established.

- The bill amends the Maine Wind Energy Act to provide predictable economic benefits for communities that host wind power projects greater than 20 megawatts. A tangible benefits standard is established as follows:
 - Projects of 20 MW to 100 MW: Payments shall average \$14,000 annually per megawatt of installed capacity over a 20 year period.
 - Projects greater than 100 MW: Payments shall average \$8,000 annually per megawatt of installed capacity over a 20 year period.
 - Exemption: The siting authority can accept lower average annual tangible benefit payments only in cases where the applicant has demonstrated extraordinary project costs or other project benefits.
- Benefits to host communities that would be eligible for meeting the tangible benefits standard would include: property tax payments, tax increment finance (TIF) agreement payments, and community benefit agreement payments.\
- The Act defines a Community Benefit Agreement as a contract between a wind power developer and a host community for the purpose of providing annual payments in recognition for the communities support for the project. Such agreements could be negotiated with a municipality or a County, in the case of a project located in unorganized territory. Funds for a Community Benefit Agreement with a County could be expended anywhere within the host county.
- The Act amends the definition of “tangible benefits” to include community benefit fund payments and expands list of tangible benefits.
- The new tangible benefits standards only apply to projects that submit a permit application to the primary siting authority after enactment of the legislation.