

May 1, 2023

OFFICE OF THE PUBLIC ADVOCATE  
Petition to Modify Standard Form Power  
Purchase Agreements

PROCEDURAL ORDER  
REQUESTING COMMENTS

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Through this Procedural Order, the Presiding Officer requests comments in response to the Petition to Modify the Standard Form Power Purchase Agreements (Petition) jointly filed in Docket 2023-00054 by the Office of the Public Advocate, the Union of Concerned Scientists, Brookfield Renewables, and Onward Energy (collectively the “Petitioners”) on March 3, 2023.

## **I. BACKGROUND**

The Petitioners request that the Commission modify the standard form of the power purchase agreements (PPAs) that the Commission has used in the energy and capacity procurements conducted pursuant to 35-A M.R.S §§ 3210-C, 3210-G, and 3210-I, or other statutory provisions. Specifically, the Petitioners request that the Commission modify its PPAs for all future solicitations to “discontinue” the purchase of energy at a fixed price even when “the real-time value of the electricity is less than \$0.00,” *i.e.*, when the price for electricity is negative. Petition at 1. The Petitioners posit that making this change will: (1) encourage the siting of new projects in locations where there is less transmission congestion; (2) ensure that renewable energy purchased under the Commission’s PPAs is incremental to, and not replacing, other renewable generation that is forced to cease operation during periods of negative pricing; and (3) allow for the better coordination of contracting between Maine and other New England states that require renewable generators to bear the risk of negative pricing. *Id.* at 1-2.

## **II. REQUEST FOR COMMENTS**

Commission Staff request that the Petitioners and other interested parties provide comments on the concerns raised in the Petition and also address the following questions:

1. How often does negative pricing occur in Maine?
2. Geographically, where does negative pricing most often occur?
3. What is the typical duration of periods of negative pricing?
4. What is the benefit to ratepayers of the generally suppressed prices caused by negative prices and how does it compare to the cost to ratepayers of paying fixed energy prices under the PPAs that the Commission has approved?

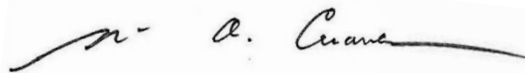
5. What are the relative financial consequences for other renewable generators that are not operating under: (1) a Commission-approved fixed price PPA during periods of negative pricing, and (2) other PPAs not approved by this Commission during periods of negative pricing? Please consider financial consequences related to energy, RECs, and any other products generated.
6. If the Commission were to require that PPAs not include the payment of fixed prices for electricity during periods of negative pricing, what risk premium could bidders for renewable generation projects be expected to require?
7. What is the significance of \$0.00 as the trigger for the Commission's discontinuance of the purchase of energy at a fixed price? Would there be any advantages or disadvantages to beginning such discontinuance at some other price level, such as \$1.00, or negative \$1.00?

Comments may be filed in **Docket No. 2023-00054** on or before **May 19, 2023**. The Petitioners and other interested parties who filed comments may file reply comments on or before **June 2, 2023**.

This Procedural Order is also being issued to the Notification Lists in the procurement proceedings the Commission has conducted in Docket Nos. 2018-00137, 2020-00033, 2021-00004, and 2021-00369.

Dated at Hallowell, Maine, this 1st day of May, 2023.

BY ORDER OF THE PRESIDING OFFICER



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Robert A. Creamer