

**CHAPTER 103: RENEWABLE RESOURCE FUND REGULATIONS: SELECTION CRITERIA FOR DEMONSTRATION PROJECTS, COST-EFFECTIVENESS REQUIREMENTS FOR RENEWABLE ENERGY REBATES AND QUALITY ASSURANCE SYSTEM**

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**SUMMARY:** The basis of this rule is to establish rules to implement objectives for the Renewable Resource Fund as specified in Title 35-A MRSA §10121.

The rule includes selection criteria for the competitive bid process for renewable energy research and development projects by Maine educational institutions; selection criteria for the bid process for community demonstration projects requiring use of cost-effectiveness and other criteria in selecting projects to fund. The rule designates qualification criteria for rebates of renewable energy technologies including means of determining cost-effectiveness and meeting quality assurance requirements.

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**SECTION 1. SCOPE**

This Chapter applies to utilization of all Renewable Resource Funds for research and development projects, community demonstration projects using renewable energy technologies, and rebates for cost-effective renewable energy technologies.

**SECTION 2. DEFINITIONS**

1. **Board.** “Board” shall mean the Efficiency Maine Trust Board established under 35-A M.R.S.A. § 10103 and 5 M.R.S.A. § 12004-G(10-c).
2. **Cost-Effective Renewable Energy Technologies.** “Cost-Effective Renewable Energy Technologies” means a Renewable Energy Installation where the Net Present Cost over the Estimated Useful Life of the installation is exceeded by the expected annual savings to the owner providing Simple Payback. For the purposes of evaluating the program, the cost of the incentives plus program delivery shall not exceed the Net Present Benefits.
3. **Director.** “Director” means the Executive Director of Efficiency Maine Trust, appointed pursuant to 35-A M.R.S.A. § 10103.
4. **Energy Savings Improvement.** “Energy Savings Improvement” means an improvement to Qualifying Property that is new and permanently affixed to Qualifying Property and that:
  - A. Will result in increased energy efficiency and reduced energy use and:
    - (1) Meets or exceeds applicable United States Environmental Protection Agency and United States Department of Energy Star program or similar energy efficiency standards established or approved by the Trust;

or

- (2) Involves weatherization, including but not limited to, an energy audit, air sealing, insulating, and other energy efficiency improvements and test out, for residential property in a manner approved by the Trust;

or

- B. Involves a Renewable Energy Installation system that meets or exceeds standards established or approved by the Trust.

5. **Estimated Useful Life.** “Estimated Useful Life” means longest useful life of any Energy Savings Improvement as determined by the Trust and as provided by DOE National Renewable Energy Laboratory (NREL) or other nationally recognized standard.
6. **Net Present Benefit.** “Net Present Benefit” means the present value of all avoided costs over the Estimated Useful Life of a project.
7. **Net Present Cost.** “Net Present Cost” means the present value of all project costs inclusive of any rebate or tax incentives due to the owner.
8. **Renewable Energy Installer.** “Renewable Energy Installer” means a Registered Vendor who meets any certification or similar requirements as specified by the Trust from time to time for specified Renewable Energy Installations.
9. **Renewable Energy Installation.** “Renewable Energy Installation” means a fixture, product, system, device or interacting group of devices, that produces energy or heat from renewable sources, including, but not limited to, photovoltaic systems, solar thermal systems, biomass systems, landfill gas to energy systems, geothermal systems, wind systems, wood pellet systems and any other systems eligible for funding under federal Qualified Energy Conservation Bonds or federal Clean Renewable Energy Bonds.
10. **Simple Payback.** “Simple Payback” is that the amount of time it will take to recover the initial investment in energy savings will be less than the Expected Useful Life of the installation. Calculated by dividing the Net Present Cost by the expected annual energy cost savings and comparing to the Expected Useful Life of the installed measures.
11. **Trust.** “Trust” means the Efficiency Maine Trust established in 35-A M.R.S.A. § 10103.

**SECTION 3. SELECTION CRITERIA FOR COMPETITIVE BID PROCESSES**

- 1. Selection criteria of renewable resource research and development projects.** The following are selection criteria for distribution of funds through competitive bid process to the University of Maine System, the Maine Maritime Academy or the Maine Community College System:
  - A. Renewable resource research and development project bids shall be selected on the basis of providing educational value and including means for recording and reporting on project results over the duration of the project to the Trust; and
  - B. Renewable resource research and development project bids shall be selected on the basis of including novel use of technology, demonstration, testing or application of renewable energy technology; and
  - C. Renewable resource research and development project bids shall be selected on the basis of capacity to demonstrate long-term feasibility of developed or utilized technology as a scalable and cost-effective means of generating, delivering or utilizing renewable energy.
  
- 2. Selection criteria of community demonstration projects using renewable energy technologies.** The following are selection criteria for distribution of funds through competitive bid process to Maine-based nonprofit organizations that qualify under the federal Internal Revenue Code, Section 501(c)(3), consumer-owned transmission and distribution utilities, community-based nonprofit organizations, community action programs, municipalities, quasi-municipal corporations or districts as defined in Title 30-A, section 2351, community-based renewable energy projects as defined in section 3602, subsection 1 and school administrative units as defined in Title 20-A, section 1 for community demonstration projects using renewable energy technologies;
  - A. Community demonstration renewable energy project bids shall be selected on the basis of providing value to a community and including means for recording and reporting on project results over the duration of the project to the Trust; and
  - B. Community demonstration renewable energy project bids shall be selected on use of cost-effective renewable energy technologies; and
  - C. Community demonstration renewable energy project bids shall be selected on the basis of capacity to demonstrate broad base support of the project from the community.

**SECTION 4. QUALIFICATION CRITERIA FOR REBATES**

1. **Cost-Effectiveness.** The Trust will only provide rebates to Renewable Energy Installations where the Net Present Cost of the project is exceeded by the Net Present Benefit of avoided costs over the Estimated Useful Life of the equipment to the owner.
2. **Quality Assurance.** The Trust will only provide rebates for cost-effective renewable energy technologies that adhere to quality assurance requirements as follows:
  - (1) Configuration and capacity of system is consistent with standards specified or selected by the Trust from time to time.
  - (2) Installer provides owner and Trust an energy model using computer software approved by the Trust, demonstrating expected system output, size, configuration, and cost-effectiveness.
  - (3) Owner agrees to random inspection of the renewable energy installation and operation by the Trust or its agent upon appropriate notification.
3. **Rebate Amounts.** Rebate amounts for all cost-effective renewable energy technologies will be a function of the avoided fuel costs displaced by the renewable energy installation over the Estimated Useful Life consistent with investment to return ratios provided by the Triennial Plan.
4. **Consumer privacy.** The provisions of the federal Gramm-Leach-Bliley Act, 15 United States Code, Section 6801 et seq. (1999), and the applicable implementing federal regulations regarding the privacy of consumer information, apply to all consumer financial information obtained by the Trust or their designees in implementing the Renewable Resource Fund under this chapter.

**SECTION 5. QUALITY ASSURANCE SYSTEM**

1. The Trust will institute and maintain requirements for Renewable Energy Installers.
2. The Trust will maintain a program to inspect construction and/or installation of Energy Savings Improvements under the Renewable Resource Fund by a Renewable Energy Installer to determine that the improvements were properly constructed and/or installed and are operating properly.
3. All quality assurance inspections and testing shall be for the Trust's benefit only. No Borrower, Municipality, nor any other person, may rely on such inspection or testing and such inspection or testing shall not constitute a warranty of any kind by the Trust or by any Municipality.

STATUTORY AUTHORITY: 35-A M.R.S.A. § 3210(9); 35-A M.R.S.A. § 10121(1); 35-A M.R.S.A. § 10121(2); 35-A M.R.S.A. § 10121(4).

EFFECTIVE DATE:

REPEALED AND REPLACED:

This rule, under the title “ ” was approved as to form and legality by the Attorney General on [ ]. It was filed with the Secretary of State on [ ] and became effective on [ ].