Maine regulators pave way for US tidal power

DAVID SHARP - Associated Press - Associated Press

Maine regulators on Tuesday put three utilities on the path to distribute electricity harnessed from tides at the nation's eastern tip, a key milestone in a bid to turn the natural rise and fall of ocean levels into power.

The Maine Public Utilities Commission set terms for a contract that would be in place for 20 years. The regulators also directed the three utilities to negotiate with Ocean Renewable Power Co. to put electricity onto the grid this summer, the first long-term power purchase agreements for tidal energy in the United States.

"It's a landmark in the commercialization of tidal energy in the U.S.," Chris Sauer, president and CEO of the Portland-based company, told The Associated Press.

Ocean Renewable intends to install its first underwater turbine unit this summer on Cobscook Bay under a demonstration project.

Power production will begin modestly, with the first unit producing enough electricity for 20 to 25 homes; the pilot program calls for additional units at sites off both Lubec and Eastport to bring production to 4 megawatts, enough to power up more than 1,000 homes by 2016.

All told, the company sees up to 50 megawatts of tidal power potential off Lubec and Eastport, home to one of the world's best tidal sites, where the tide rises and falls 20 feet twice a day.

The Maine Public Utilities Commission established what's called a contract term sheet for the project. It sets the rate to be paid for the tide-generated electricity at 21.5 cents per kilowatt hour, a subsidized rate that's far higher than the current standard offer of about 11 to 12 cents paid by most Maine residents.

Central Maine Power, Bangor Hydro Electric Co. and Maine Public Service Co. will negotiate a contract with Ocean Renewable under the framework established by regulators.

Richard Davies, Maine's public advocate, said there were some mixed emotions over setting a rate that's so much higher than the current cost of electricity.

But Davies and his staff came down in support of the project because the cost of energy produced by fossil fuels will likely grow much faster than the cost of tidal energy over the course of the 20-year contract. In fact, he said, the energy could become competitive within five years.

The 21.5-cent rate, which grows 2 percent a year over the contract, makes the project feasible, Sauer said. It'll be subsidized through a previously established

state fund.

Ocean Renewable's Maine Tidal Energy Project is one of two tidal programs to receive pilot project licenses earlier this year from the Federal Energy Regulatory Commission. The other company, Verdant Power, is working to advance its own tidal energy system in New York City's East River.

Verdant's design looks a lot like a wind turbine, only it's underwater. Ocean Renewable uses rotating foils that lend the appearance of a manual reel mower for cutting grass.

Officials in Canada are watching the Maine project with interest. Ocean Renewable and Nova Scotia-based Fundy Tidal Inc. hope to install the same units in waters off Nova Scotia, where Bay of Fundy offers even greater tidal power potential, officials have said.

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