

MAINE STATE LEGISLATURE

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(New Draft of H.P. 866, L.D. 1027)
(New Title)
SECOND REGULAR SESSION

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ONE HUNDRED AND TENTH LEGISLATURE

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Legislative Document

No. 2121

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H. P. 2274 House of Representatives, March 31, 1982
Reported by Report A from the Committee on Public Utilities and
printed under Joint Rules No. 2.

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EDWIN H. PERT, Clerk

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STATE OF MAINE

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IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-TWO

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**AN ACT to Require Public Utilities to
Submit a Plan to the Public Utilities
Commission to Provide Financing to
Customers for Energy Conservation and
Renewable Resources.**

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Be it enacted by the People of the State of Maine as follows:

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Sec. 1. 35 MRSA §93, sub-§3, as amended by PL 1979, c.
399, §3, is further amended to read:

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3. Policies. Policies which encourage economic use of
fuel and which encourage the maximum efficient utilization
of natural energy resources indigenous to the State; and

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Sec. 2. 35 MRSA §93, sub-§4, as enacted by PL 1977, c.
521, is amended to read:

1 4. Rates or regulatory policies. Rates or other
2 regulatory policies which encourage electric utility system
3 reliability- ; and

4 Sec. 3. 35 MRSA §93, sub-§5 is enacted to read:

5 5. Financing programs. Utility financing programs to
6 promote energy conservation and renewable resource measures.

7 Sec. 4. 35 MRSA §93-A is enacted to read:

8 §93-A. Energy conservation and renewable resource financing
9 program

10 1. Purpose. The Legislature finds that energy conser-
11 vation and renewable resource development measures can
12 reduce the demand for electricity and reduce the need for
13 expensive new electric-generating and transmission capacity;
14 that electric utility customers often have difficulty in
15 financing these measures at current interest rates; that
16 these measures may be less expensive to fund than construc-
17 tion of new electric-generating and transmission capacity;
18 and that electricity conservation can reduce our dependence
19 on out-of-state energy sources, in particular petroleum, and
20 so reduce the flow of Maine's dollars out-of-state. The
21 Legislature further finds that the largest utilities should
22 be required to establish an energy conservation and renew-
23 able resources financing program, if the Public Utilities
24 Commission finds that such a program is in the interest of
25 all ratepayers.

26 2. Plans. By January 1, 1983, each electric utility
27 operating in the State of Maine and providing service for
28 20,000 customers or more, shall submit a plan to the Public
29 Utilities Commission to establish an energy conservation and
30 renewable resource financing program for its residential and
31 small commercial customers. After the submission of each
32 plan, the commission shall determine whether implementation
33 of the plan, or a reasonably modified form of the plan, may
34 reasonably be anticipated to result in savings of energy and
35 capacity costs as compared with the absence of a plan. If
36 the finding is favorable, the commission shall order the
37 plan implemented. Any plan carrying out the basic interest
38 of this section, but submitted between July 1, 1981 and the
39 effective date of this section, shall satisfy the require-
40 ment for submission of a plan under this section.

41 For the purposes of this section, "customer" means any
42 person who receives and pays for electric service under a
43 residential or commercial rate schedule approved by the com-
44 mission.

1 The commission shall allow the utility to recover all
2 reasonable costs of implementing and administering its plan.

3 The commission may, from time to time, review and adjust a
4 program as it deems necessary and reasonable.

5 3. Report. The Public Utilities Commission shall
6 report to the Legislature by November 1, 1984, on the imple-
7 mentation of these plans. The report shall be reviewed by
8 the joint standing committee of the Legislature having
9 jurisdiction over public utilities. The report shall
10 include the number of customers participating in each pro-
11 gram, a description of the size and terms of the loans and
12 the purpose of those loans, the amount of electricity
13 savings each year and an analysis of the costs and benefits
14 of the programs.

15 STATEMENT OF FACT

16 This new draft would require the major electric util-
17 ity companies to submit plans to the Public Utilities Com-
18 mission for financing customer installations of conservation
19 and renewable resources equipment. This new draft has 2
20 purposes. First, it seeks to accelerate the displacement of
21 oil-generated electricity used for space and water heating.
22 Second, it induces the state's major utilities and their
23 customers to invest first in conservation and renewable
24 resources before investing in new generating facilities,
25 since these measures are almost always less expensive to
26 fund than construction of new electric-generating and trans-
27 mission capacity.

28 Utilities would have until January 1, 1983 to prepare
29 and submit these plans to the Public Utilities Commission.
30 Two years after implementation of the plans, the commission
31 must report the results of the programs to the Legislature.

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