

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1998

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Legislative Document

No. 2204

S.P. 818

In Senate, February 9, 1998

**An Act to Extend the Electric Rate Stabilization Program.**

(EMERGENCY)

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Reference to the Committee on Utilities and Energy suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator CAREY of Kennebec. (GOVERNOR'S BILL).  
Cosponsored by Representatives: BERRY of Belmont, JOY of Crystal, O'NEAL of  
Limestone, USHER of Westbrook.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, pursuant to current law, no certificates of approval for electric rate stabilization projects may be issued after February 1, 1998; and

Whereas, there continues to be a need for the approval of electric rate stabilization projects; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

**Sec. 1. 10 MRSA §1053, sub-§6, as repealed and replaced by PL 1997, c. 489, §7 and c. 492, §1 and affected by §7, is repealed and the following enacted in its place:**

6. Securities outstanding. The principal amount of revenue obligation securities the authority may have outstanding at any one time, to which subsection 5 is stated to apply in the trust agreement or other document, may not exceed an aggregate principal amount equal to \$657,000,000 as follows:

A. The sum of \$330,000,000 consisting of not more than \$275,000,000 for loans and up to \$55,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to loans for electric rate stabilization projects;

B. The sum of \$120,000,000 consisting of not more than \$100,000,000 for loans and up to \$20,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to loans for major business expansion projects;

C. The sum of \$57,000,000 consisting of not more than \$45,000,000 for loans and up to \$12,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to workers' compensation residual market mechanism projects; and

D. The sum of \$150,000,000 less the aggregate outstanding balance of mortgage loans secured by capital reserve funds

2           pursuant to section 1032 for all other revenue obligation  
3           securities issued pursuant to this subchapter.

4           The amount of revenue obligation securities issued to refund  
5           securities previously issued may not be taken into account in  
6           determining the principal amount of securities outstanding,  
7           provided that proceeds of the refunding securities are applied as  
8           promptly as possible to the refunding of the previously issued  
9           securities. In computing the total amount of revenue obligation  
10           securities of the authority that may at any time be outstanding  
11           for any purpose, the amounts of the outstanding revenue  
12           obligation securities that have been issued as capital  
13           appreciation bonds or as similar instruments are valued as of any  
14           date of calculation at their then current accreted value rather  
15           than their face value.

16           **Sec. 2. 35-A MRS §3156, last ¶**, as amended by PL 1997, c. 492,  
17           §3 and affected by §7, is further amended to read:

18           A certificate may not be issued under this section after  
19           February-1 July 31, 1998.

20           **Sec. 3. PL 1993, c. 712, §8**, as amended by PL 1997, c. 492, §4  
21           and affected by §7, is further amended to read:

22           **Sec. 8. Loans authorized.** The Finance Authority of Maine may  
23           make loans to electric utilities or to municipal solid waste  
24           facilities financed by industrial development or exempt facility  
25           bonds, if those facilities are qualifying facilities as defined  
26           in the Maine Revised Statutes, Title 35-A, section 3303, for  
27           electric rate stabilization projects as defined in Title 10,  
28           section 963-A from up to \$275,000,000 of the proceeds of revenue  
29           obligation securities secured by capital reserve funds pursuant  
30           to Title 10, section 1053. Notwithstanding any provision of  
31           Title 10, chapter 110, loans may aggregate up to \$275,000,000  
32           plus an amount determined by the Finance Authority of Maine of up  
33           to an additional aggregate of \$55,000,000 to fund any capital  
34           reserve fund established by the authority for these loans.  
35           Revenue obligation securities secured by capital reserve funds  
36           pursuant to Title 10, section 1053 relating to such loans may not  
37           be issued for an electric rate stabilization agreement as defined  
38           in Title 35-A, section 3156, executed after February-1 July 31,  
39           1998. Any revenue obligation securities issued for electric rate  
40           stabilization projects secured by capital reserve funds pursuant  
41           to Title 10, section 1053 are limited obligations of the Finance  
42           Authority of Maine payable from revenues from borrowers and any  
43           capital reserve funds pledged for those securities as those funds  
44           are administered under Title 10, chapter 110, subchapter III and  
45           are not payable from any other assets or funds of the Finance  
46           Authority of Maine. In addition to all other applicable

2 provisions, the requirements of Title 10, section 1045-A apply to  
3 loans for electric rate stabilization projects.

4 **Emergency clause.** In view of the emergency cited in the  
5 preamble, this Act takes effect when approved.

8 **SUMMARY**

10 This bill clarifies conflicting statutory provisions. It  
11 clarifies that the amount of the moral obligation of the State  
12 that may be pledged to support electric rate stabilization  
13 projects is \$330,000,000.

14 The bill extends the period during which certificates of  
15 approval may be issued for electric rate stabilization projects  
16 from February 1, 1998 to July 31, 1998.  
17