

MAINE STATE LEGISLATURE

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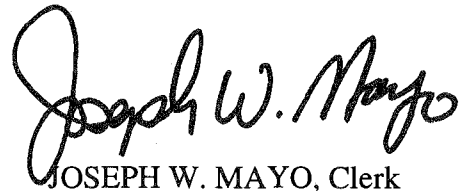
House of Representatives, February 10, 1998

**An Act to Encourage the Development of Small Distributed Generation
Technologies That Reduce Pollution.**

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule
205.

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


JOSEPH W. MAYO, Clerk

Presented by Representative KONTOS of Windham.
Cosponsored by Representative DONNELLY of Presque Isle.

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

2
4 **Sec. 1. 35-A MRSA §102, sub-§5**, as enacted by PL 1987, c. 141, Pt. A, §6, is amended to read:

6 **5. Electric utility.** "Electric utility" includes every
8 person, its lessees, trustees, receivers or trustees appointed by
10 any court owning, controlling, operating or managing any electric
12 plant for compensation within this State, except where
14 electricity is generated on or distributed by the producer
16 through private property alone solely for its own use or the use
18 of its tenants and not for sale to others and except where
20 electricity is generated predominantly by using small distributed
generation technologies. "Electric utility" includes, but is not
limited to, rural electrification cooperatives organized under
chapter 37, subchapters I to III, generation and transmission
cooperatives organized under chapter 37, subchapter IV, municipal
power districts organized under chapter 39 and the Maine
Municipal and Rural Electrification Cooperative Agency organized
under chapter 41.

22 **Sec. 2. 35-A MRSA §102, sub-§16-A** is enacted to read:

24 **16-A. Small distributed generation technologies.** "Small
26 distributed generation technologies" includes real estate,
28 fixtures and personal property used to generate electricity that
satisfy the following criteria.

30 A. The total generating capacity located at any one site
must be less than 250 kilowatts.

32 B. A net reduction of environmental emissions within the
34 New England region, as measured on a
per-kilowatt-hour-of-generation output, must result.

36 **Sec. 3. 35-A MRSA §3183** is enacted to read:

38 **§3183. Transmitting or wheeling of electricity to provide**
40 **backup service to small distributed generation**
technologies

42 1. Obligation to transmit or wheel electricity. Upon the
44 request of an owner or operator of small distributed generation
technologies, an electric utility or a transmission and
46 distribution utility shall provide transmission or wheeling
services subject to the terms of subsection 2 if the electricity
48 being transmitted or wheeled is generated by small distributed
generation technologies or by using renewable resources, as
defined in section 3210, and to the electricity transmitted or

2 wheeled is being used to provide backup service to small
3 distributed generation technologies.

4 2. Terms. The electric utility or transmission and
5 distribution utility must be compensated for the transmission or
6 wheeling of electricity under this section on the basis of the
7 actual quantity of kilowatt hours transmitted or wheeled. The
8 rates for this service must be set equal to the ratio of the
9 total revenues received by the electric utility or transmission
10 and distribution utility from transmission, distribution and
11 wheeling services it provided to all of its wholesale and retail
12 customers during the previous 12-month period divided by the
13 total quantity of kilowatt hours it transmitted, distributed or
14 wheeled during this same period. The commission shall establish
15 rates for this service annually, beginning no later than January
16 1, 1999, except that it may modify these rates if it determines
17 that the basis on which they were calculated has changed
18 sufficiently to warrant modification.

20 Sec. 4. 35-A MRSA §3201, sub-§5, as enacted by PL 1997, c.
21 316, §3, is amended to read:

22 5. Competitive electricity provider. "Competitive
23 electricity provider" means a marketer, broker, aggregator or any
24 other entity selling electricity to the public at retail, except
25 where the electricity is generated predominantly by using small
26 distributed generating technologies.

28 Sec. 5. 35-A MRSA §3201, sub-§15-A is enacted to read:

30 15-A. Small distributed generation technologies. "Small
31 distributed generation technologies" includes real estate,
32 fixtures and personal property used to generate electricity that
33 satisfy the following criteria.

34 A. The total generating capacity located at any one site
35 must be less than 250 kilowatts.

36 B. A net reduction of environmental emissions within the
37 New England region, as measured on a
38 per-kilowatt-hour-of-generation output, must result.

39 Sec. 6. 35-A MRSA §3201, sub-§19, as enacted by PL 1997, c.
40 316, §3, is amended to read:

41 19. Transmission and distribution utility. "Transmission
42 and distribution utility" means a person, its lessees, trustees,
43 receivers or trustees appointed by a court, owning, controlling,
44 operating or managing a transmission and distribution plant for
45 compensation within the State, except where that transmission and

2 distribution plant is used predominantly to transmit and
3 distribute electricity generated by small distributed generation
4 technologies.

5 **Sec. 7. Reporting requirement.** Beginning on January 1, 2000
6 and no less frequently than biennially, the Public Utilities
7 Commission shall report to the joint standing committee of the
8 Legislature having jurisdiction over utilities and energy matters
9 on the amount of electric capacity and energy produced in the
10 State from small distributed generation technologies, the number
11 and types of customers being served by small distributed
12 generation technologies, the total amount of energy being
13 transmitted or wheeled by electric utilities and transmission and
14 distribution utilities to provide backup service for small
15 distributed generating technologies and the nature and quantity
16 of environmental emissions that are being avoided as a result of
17 the electricity produced by small distributed generation
18 technologies.

22 SUMMARY

23 The purpose of this bill is to encourage the development of
24 small distributed generation technologies that reduce the amount
25 of harmful emissions resulting from the generation of
26 electricity. Specifically, the bill provides the following.

27 It exempts from the definition of "electric utility" the
28 situation in which electricity is generated predominantly using
29 small distributed generation technologies.

30 It defines "small distributed generation technologies" as
31 being less than 250 kilowatts of capacity at any one site and
32 resulting in a net reduction of harmful emissions within the New
33 England region.

34 It provides an exemption from the definition of "competitive
35 electricity provider" for situations in which electricity is
36 generated predominantly using small distributed generation
37 technologies.

38 It incorporates the definition of "small distributed
39 generation technologies" into the restructuring law enacted in
40 May 1997.

41 It provides an exemption comparable to that provided for
42 electric utility from the definition of "transmission and
43 distribution utility."

2 It imposes an obligation on all electric and transmission
and distribution utilities in the State to wheel power generated
4 by small distributed generation technologies or by generators
using renewable resources, if that power is being used to provide
6 backup service for small distributed generation technologies. It
also defines the methodology to be used by the Public Utilities
8 Commission in setting the rates to be charged for this service
and directs the commission to establish such rates annually,
beginning no later than January 1, 1999.

10

 It requires the Public Utilities Commission, beginning on
12 January 1, 2000, to report biennially to the Legislature on
matters related to small distributed generation technologies in
14 the State.