

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1538

S.P. 474

In Senate, March 8, 2001

An Act to Promote Retail Electricity Competition.

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 President Pro Tem BENNETT of Oxford.

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

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Sec. 1. 35-A MRSA §3203, sub-§2, as amended by PL 1999, c. 398, Pt. J, §§1 and 2, is further amended to read:

2. Requirements. A competitive electricity provider may not undertake the sale of electricity at retail in this State without first receiving a license from the commission. Before approving a license application, the commission must receive from the applicant:

A. Evidence of financial capability sufficient to refund deposits to retail customers in the case of bankruptcy or nonperformance or for any other reason;

B. Evidence of the ability to enter into binding interconnection arrangements with transmission and distribution utilities;

C. Disclosure of all pending legal actions and customer complaints filed against the competitive electricity provider at a regulatory body other than the commission in the 12 months prior to the date of license application;

D. Evidence of the ability to satisfy the renewable resource portfolio requirement established under section 3210;

E. Disclosure of the names and corporate addresses of all affiliates of the applicant; and

F. Evidence that the applicant is registered with the State Tax Assessor as a seller of tangible personal property pursuant to Title 36, section 1754-B, together with a statement that the applicant agrees to be responsible for the collection and remission of taxes in accordance with Title 36, Part 3 on all taxable sales of electricity made by the applicant to consumers located in this State.

The commission shall consider the need for requiring and, if it determines there is a need, may require a competitive electricity provider to file a bond with the commission as evidence of financial ability to withstand market disturbances or other events that may increase the cost of providing service or to provide for uninterrupted service to its customers if a competitive electricity provider stops service. In determining the size of any such bond, the commission shall balance the need to develop a competitive retail electric market with any other factors and the extent to which large bonds may constitute a barrier to entry. The commission may not require a bond larger

2 than the projected difference between the price offered by the
4 competitive energy provider and the commission's projection of
6 the likely replacement power cost if the provider should
8 default. The commission shall consider all possible forms of
10 security to protect consumers other than a bond or similar cash
12 equivalent security.

8 **Sec. 2. 35-A MRSA §3212, sub-§7** is enacted to read:

10 7. **Duration; fixed price.** Any standard offer approved
12 after July 1, 2001 must be of at least one year in duration and
14 contain a fixed total per kilowatt hour price for the applicable
16 group of customers. Such a standard offer must include the
18 estimated final cost to provide the full energy and capacity
20 needs of the customer group for the duration of the standard
22 offer.

20 SUMMARY

22 This bill amends certain provisions of Maine's electric
24 utility restructuring laws to provide:

26 1. Modification of surety bond requirements imposed on
28 competitive electricity providers to reduce barriers to entry and
increase competitive options for all ratepayers; and

30 2. That the Public Utilities Commission may approve only
32 those standard offers after July 1, 2001 that are at least one
34 full year in duration and that provide a known and fixed price to
customers to provide the full requirement energy and capacity
needs of the customer group.