

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

SECOND REGULAR SESSION-2002

Legislative Document

No. 2003

H.P. 1500

House of Representatives, December 26, 2001

**An Act to Prepare Residential Electricity Customers for Competitive
Electricity Markets in Maine.**

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 19, 2001. Referred to the Committee on Utilities and Energy pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative BLISS of South Portland.
Cosponsored by Senator EDMONDS of Cumberland and
Representatives: COLWELL of Gardiner, DUNCAN of Presque Isle, GOODWIN of
Pembroke, HALL of Bristol, TARAZEWICH of Waterboro.

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

4
6 Whereas, this legislation must take effect before the
expiration of the 90-day period in order to allow adequate time
to prepare for the possible end of standard-offer electricity
services; and

8
10 Whereas, in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
12 Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
14 safety; now, therefore,

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

18 **Sec. 1. 35-A MRSA §3212, sub-§4,** as enacted by PL 1997, c.
316, §3, is amended to read:

20 **4. Implementation period and investigation.** Standard-offer
22 service must be available until March 1, 2005. By ~~January--1,~~
~~2004 August 1, 2002,~~ the commission shall begin an investigation
24 to determine whether the continued availability of standard-offer
service is necessary and in the public interest and, if so, how
26 best to make such service available after March 1, 2005. The
commission shall conclude the investigation by ~~June--30,--2004~~
28 December 1, 2002 and report its results and recommendations
to the Legislature pursuant to section 3217. In its investigation,
30 the commission shall consider the questions in paragraphs A to D
and shall solicit the input of all interested parties.

32 A. Are the goals of this chapter best fulfilled if
34 standard-offer service ceases altogether on March 1, 2005 or
at a date certain after March 1, 2005?

36 B. Should opportunities for retail aggregators be changed
38 to ensure greater participation in competitive markets by
residential and small commercial customers, beginning March
40 1, 2005?

42 C. Beginning March 1, 2005, should any standard-offer
44 provider selected by the commission pursuant to subsection 2
be required to offer at least one standard-offer service
46 that is composed entirely of renewable resources as defined
in section 3210?

48 D. Should this chapter be amended to enable aggregators,
50 beginning March 1, 2005, automatically to receive by
contract, for a term designated in that contract, the

2 designation as competitive electricity provider for all the
3 electric accounts in a given municipality if:

4 (1) That municipality adopts a "negative-option" form
5 of municipal aggregation, following notice and
6 opportunity for hearing, by means of a recorded vote of
7 the municipal officers or the appropriate governing
8 body; and

10 (2) All customers in that municipality reserve the
11 right to leave the municipal aggregation and designate
12 a different provider, in writing, within a time period
13 established by legislative enactment?

14 **Sec. 2. 35-A MRSA §3217, sub-§1, as enacted by PL 1997, c.**
15 **316, §3, is amended to read:**

18 **1. Annual restructuring report.** On December 31st of each
19 calendar year, the commission shall submit to the joint standing
20 committee of the Legislature having jurisdiction over utility
21 matters a report describing the commission's activities in
22 carrying out the requirements of this chapter and the activities
23 relating to changes in the regulation of electric utilities in
24 other states.

26 In its report the commission shall provide an accounting of the
27 commission's actual and estimated future costs of enforcing and
28 implementing the provisions of this chapter governing the
29 relationship between a transmission and distribution utility and
30 an affiliated competitive electricity provider and the costs
31 incurred by transmission and distribution utilities in complying
32 with those provisions. The commission shall also provide an
33 assessment of the effects of imposing these costs on ratepayers
34 and the potential effects of assessing transmission and
35 distribution utilities for these costs and prohibiting the costs
36 from being passed through to ratepayers.

38 No later than December 1, 2002, the commission shall submit to
39 the joint standing committee of the Legislature having
40 jurisdiction over utility matters the report required under
41 section 3212, subsection 4, with recommendations for action by
42 the Legislature.

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

46

SUMMARY

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4 This bill advances by 2 years the reporting deadline for the
Public Utilities Commission investigation of the value and
6 continued necessity of standard-offer service in the State's
competitive electricity markets. The bill also specifies in
8 greater detail the matters that the commission must investigate
with respect to the continuation of standard-offer service and
requires the commission to make recommendations to the joint
10 standing committee of the Legislature having jurisdiction over
utility matters on appropriate changes in the laws governing
12 standard-offer service.