

MAINE STATE LEGISLATURE

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DATE: 2.24.04

(Filing No. S-399)

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UTILITIES AND ENERGY

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MAJORITY

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STATE OF MAINE
SENATE
121ST LEGISLATURE
SECOND SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 235, L.D. 671, Bill, "An Act To Facilitate the Development of Cost-effective Distributed Electricity Generation in the State"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 35-A MRSA §3210-A is enacted to read:

§3210-A. Small generator aggregation

1. Standard-offer service provider purchase requirement.

In accordance with rules adopted pursuant to this section, the commission, at the request of the owner or operator of a generator with a capacity of 5 megawatts or less, shall:

A. If the generator is located in an area of this State within the New England independent system operator control area, require a standard-offer service provider that serves an area of this State within the New England independent system operator control area to purchase the output of that generator at applicable market clearing prices or at such other prices determined by the commission to be financially neutral to the standard-offer service provider; and

B. If the generator is located in an area of this State in which the retail market is administered by the independent system administrator for northern Maine and the commission

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finds that the market design will accommodate purchases in a manner that is financially neutral to the standard-offer service provider, require a standard-offer service provider that serves that area of the State, or a portion of that area, to purchase the output of that generator at prices determined by the commission to be financially neutral to the standard-offer service provider.

The requirements of this subsection apply only if they can be accomplished in a manner that is financially neutral to standard-offer service providers.

2. Transmission and distribution utility administration.

Transmission and distribution utilities shall administer the purchase and sale of electricity required under this section. Administrative costs incurred by a transmission and distribution utility under this subsection must be paid, in a manner established by the commission, by the generators of the electricity the purchase and sale of which the utility administers.

3. Rules.

The commission shall adopt rules to implement this section, including, but not limited to, rules identifying how the commission assigns purchasing obligations to particular standard-offer service providers and the timing and manner of such obligations. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.'

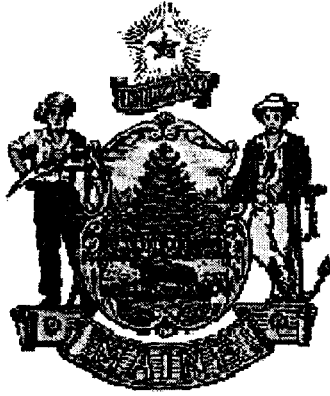
SUMMARY

This amendment, which is the majority report of the Joint Standing Committee on Utilities and Energy, replaces the bill. This amendment requires standard-offer service providers that serve areas of this State within the New England independent system operator control area to purchase the output of generators with a capacity of 5 megawatts or less at a price that is financially neutral to the standard-offer service providers. The commission is directed to require standard-offer service providers that serve the northern region of the State to purchase the output of such generators if it finds that the market design in that region will accommodate such purchases.

FISCAL NOTE REQUIRED
(See attached)

Approved: 02/10/04 *MAC*

**121st Maine Legislature
Office of Fiscal and Program Review**



LD 671

**An Act to Facilitate the Development of Cost-effective Distributed
Electricity Generation in the State**

LR 1681(02)

**Fiscal Note for Bill as Amended by Committee Amendment 'A'
Committee: Utilities and Energy**

Fiscal Note Required: Yes

Majority Report

Fiscal Note

Minor cost increase - Other Special Revenue Funds