

MAINE STATE LEGISLATURE

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UTILITIES AND ENERGY

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STATE OF MAINE

SENATE

123RD LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 796, L.D. 2002, Bill, "An Act To Protect Electricity Consumers of Northern Maine"

Amend the bill by striking out the title and substituting the following:

'An Act To Protect Electricity Consumers of Maine'

Amend the bill in section 1 in subsection 2 in the 2nd and 3rd lines (page 1, lines 5 and 6 in L.D.) by striking out the following: "a transmission line capable of operating at 100 kilovolts; or more; or" and inserting the following: 'a transmission line capable of operating at 100 kilovolts, or more, or'

Amend the bill by striking out everything after section 1 and inserting the following:

'Sec. 2. 35-A MRSA §3210-C, sub-§3, as amended by PL 2007, c. 293, §2, is further amended to read:

3. Commission authority. The commission may direct large investor-owned transmission and distribution utilities to enter into long-term contracts for:

- A. Capacity resources; and
B. Any available energy associated with capacity resources contracted under paragraph A:
(1) To the extent necessary to fulfill the policy of subsection 2, paragraph A; or
(2) If the commission determines appropriate for purposes of supplying or lowering the cost of standard-offer service. Available energy contracted pursuant to this subparagraph may be sold into the wholesale electricity market in conjunction with solicitations for standard-offer supply bids.

The commission may direct large investor-owned transmission and distribution utilities to enter into contracts under this subsection only as agents for their customers and only in accordance with this section. To the greatest extent possible, the commission shall

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to S.P. 796, L.D. 2002

1 develop procedures having the same legal and financial effect as the procedures used for
2 standard-offer service pursuant to section 3212 for ~~large~~ investor-owned transmission and
3 distribution utilities.

4 The commission may enter into contracts for interruptible, demand response or energy
5 efficiency capacity resources. These contracts are not subject to the rules of the State
6 Purchasing Agent.

7 Capacity resources contracted under this subsection may not exceed the amount
8 necessary to ensure the reliability of the electric grid of this State or to lower customer
9 costs as determined by the commission pursuant to rules adopted under subsection 10.

10 Unless the commission determines the public interest requires otherwise, a capacity
11 resource may not be contracted under this subsection unless the commission determines
12 that the capacity resource is recognized as a capacity resource for purposes of any
13 regional or federal capacity requirements.

14 **Sec. 3. 35-A MRSA §3210-C, sub-§7**, as amended by PL 2007, c. 293, §4, is
15 further amended to read:

16 **7. Disposition of resources.** A ~~large~~ investor-owned transmission and distribution
17 utility shall sell capacity resources and energy purchased pursuant to subsection 3 or take
18 other action relative to such capacity resources and energy as directed by the commission.

19 **Sec. 4. 35-A MRSA §3210-C, sub-§8**, as enacted by PL 2005, c. 677, Pt. C, §1,
20 is amended to read:

21 **8. Cost recovery.** The commission shall ensure that a ~~large~~ investor-owned
22 transmission and distribution utility recovers in rates all costs of contracts entered into
23 pursuant to subsection 3, including but not limited to any impacts on the utility's costs of
24 capital. A price differential existing at any time during the term of the contract between
25 the contract price and the prevailing market price at which the capacity resource is sold
26 must be reflected in rates and may not be deemed to be imprudent.

27 **Sec. 5. 35-A MRSA §3210-C, sub-§10**, as enacted by PL 2005, c. 677, Pt. C, §1,
28 is amended to read:

29 **10. Rules.** The commission shall adopt rules to implement this section. In adopting
30 rules, the commission shall consider the financial implications of this section on ~~large~~
31 investor-owned transmission and distribution utilities. Rules adopted under this
32 subsection are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A.
33 The commission may not enter into or direct any ~~large~~ investor-owned transmission and
34 distribution utility to enter into any contract pursuant to this section until rules are finally
35 adopted under this subsection.

36 **SUMMARY**

37 This amendment retains the provision in the bill that lowers the threshold for
38 requiring a certificate of public convenience and necessity for the construction of a
39 transmission line to 69 kilovolts or more but removes a confusing reference in the bill to a
40 higher-rated line. The amendment strikes all other provisions in the bill. The amendment
41 adds a provision to allow the Public Utilities Commission to direct all investor-owned

COMMITTEE AMENDMENT "*A*" to S.P. 796, L.D. 2002

1 transmission and distribution utilities to enter into long-term contracts for capacity
2 resources and associated energy. Current law limits the commission to directing investor-
3 owned transmission and distribution utilities serving more than 50,000 customers to enter
4 into such contracts.

5 **FISCAL NOTE REQUIRED**
6 (See attached)



123rd MAINE LEGISLATURE

LD 2002

LR 3364(02)

An Act To Protect Electricity Consumers of Northern Maine

Fiscal Note for Bill as Amended by Committee Amendment "A "

Committee: Utilities and Energy

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

The additional costs associated with this legislation can be absorbed by the Public Utilities Commission utilizing existing budgeted resources.