

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1592

H.P. 1050

House of Representatives, April 10, 2025

An Act to Reduce Energy Costs by Permitting the Ownership of Generation by Investor-owned Transmission and Distribution Utilities

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

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative FAULKINGHAM of Winter Harbor.
Cosponsored by Senator HARRINGTON of York and
Representatives: FOSTER of Dexter, MCINTYRE of Lowell.

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

2 **Sec. 1. 35-A MRSA §3202, sub-§5**, as enacted by PL 1999, c. 398, Pt. B, §1, is
3 amended to read:

4 **5. International transmission contracts.** ~~Notwithstanding section 3204,~~
5 ~~transmission~~ Transmission and distribution utilities, including consumer-owned utilities,
6 that operate or manage a portion of the grid connected to the New England grid by
7 transmission lines that pass through Canada may enter into commercially reasonable
8 contracts with Canadian electric utilities for the purchase of back-up services, tie-line
9 interruption services, ancillary services, transmission services or any other service that
10 promotes effective retail electric competition in northern Maine. The transmission and
11 distribution utilities shall make all such contract services available to competitive
12 electricity providers at cost, on an equitable basis. Commission approval of such contracts
13 is not required. ~~Nothing in this~~ This subsection exempts ~~does not exempt~~ from commission
14 jurisdiction utility operations or activities undertaken pursuant to such contracts.

15 **Sec. 2. 35-A MRSA §3204, sub-§5**, as enacted by PL 1997, c. 316, §3, is repealed.

16 **Sec. 3. 35-A MRSA §3204, sub-§6**, as enacted by PL 1997, c. 316, §3, is repealed.

17 **Sec. 4. 35-A MRSA §3204, sub-§11**, as enacted by PL 2017, c. 287, §1, is
18 repealed.

19 **Sec. 5. 35-A MRSA §3204, sub-§12** is enacted to read:

20 **12. Generation assets ownership permitted.** After March 1, 2026, an investor-
21 owned transmission and distribution utility may own, have a financial interest in or
22 otherwise control generation or generation-related assets in accordance with rules adopted
23 by the commission pursuant to this subsection. The commission shall adopt rules to
24 establish terms, conditions and standards of conduct that:

25 A. Provide that the ratepayers of an investor-owned transmission and distribution
26 utility are not responsible for the costs of that investor-owned transmission and
27 distribution utility's generation or generation-related assets except as approved by the
28 commission;

29 B. Require the accounts and records of the investor-owned transmission and
30 distribution utility to be kept separate from the accounts and records associated with
31 any generation or generation-related assets owned by the utility; and

32 C. Protect ratepayers.

33 The commission's rules may also establish standards of conduct applicable to the ownership
34 of generation or generation-related assets by an affiliate of an investor-owned transmission
35 and distribution utility. For purposes of this subsection, "affiliate" means a person who has
36 any direct or indirect ownership interest in, or is a direct or indirect subsidiary of a person
37 who has any ownership interest in, the investor-owned transmission and distribution utility,
38 but does not include a wholly owned or partially owned direct or indirect subsidiary of the
39 investor-owned transmission and distribution utility.

40 Rules adopted pursuant to this subsection are major substantive rules as defined in Title 5,
41 chapter 375, subchapter 2-A.

Sec. 6. 35-A MRSA §3604, sub-§1, as enacted by PL 2009, c. 329, Pt. A, §4, is amended to read:

1. Investor-owned transmission and distribution utilities; required participation.

~~Notwithstanding section 3204, the~~ The commission may direct investor-owned transmission and distribution utilities to enter into long-term contracts with program participants located within the service territory of the utility for energy, capacity resources or renewable energy credits. The commission may direct 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. An investor-owned transmission and distribution utility shall sell energy, capacity resources or renewable energy credits purchased pursuant to this subsection into the wholesale electricity market or take other action relative to such energy, capacity resources or renewable energy credits as directed by the commission.

Sec. 7. 35-A MRS~~a~~ **§3624, sub-§1**, as repealed and replaced by PL 2023, c. 353, §6, is amended to read:

1. Investor-owned transmission and distribution utilities; required participation.

Notwithstanding section 3204, the The commission may direct an investor-owned transmission and distribution utility to enter into long-term contracts for energy with one or more program participants if the program participant is:

- A. Located within the service territory of the investor-owned transmission and distribution utility; or
- B. Located within the service territory of a consumer-owned transmission and distribution utility if:
- (1) The program participant delivers energy to a location within the service territory of the investor-owned transmission and distribution utility;
 - (2) The program participant does not sell energy to the consumer-owned transmission and distribution utility in whose territory the program participant is located; and
 - (3) The consumer-owned transmission and distribution utility consents to the sale and transmission of that energy pursuant to a long-term contract.

The commission may direct 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. An investor-owned transmission and distribution utility shall sell energy pursuant to this subsection into the wholesale electricity market or take other action relative to that energy directed by the commission.

SUMMARY

This bill permits an investor-owned transmission and distribution utility to own, have a financial interest in or otherwise control generation or generation-related assets in accordance with terms, conditions and standards of conduct adopted by the Public Utilities Commission. The commission must adopt major substantive rules that ensure that the ratepayers of an investor-owned transmission and distribution utility are not responsible for the costs of that investor-owned transmission and distribution utility's generation or

1 generation-related assets except as approved by the commission; require the accounts and
2 records of the investor-owned transmission and distribution utility to be kept separate from
3 the accounts and records associated with any generation or generation-related assets owned
4 by the utility; and protect ratepayers. The commission's rules may also establish standards
5 of conduct applicable to the ownership of generation or generation-related assets by an
6 affiliate of an investor-owned transmission and distribution utility.