

MAINE STATE LEGISLATURE

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(Governor's Bill)
SECOND REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1857

H. P. 1739

House of Representatives, January 23, 1980

On Motion of Mr. Davies of Orono, referred to the Committee on Public Utilities. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk of the House

Presented by Mrs. Kany of Waterville.

Cosponsor: Mr. Elias of Madison.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY

AN ACT to Permit the Public Utilities Commission to Include in the Fuel Adjustment Clause Capacity Purchases from Small Power Producers and Cogenerators.

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

Sec. 1. 35 MRSA § 131, sub-§ 2, 2nd sentence, as repealed and replaced by PL 1977, c. 689, § 1, is amended to read:

The cost of fuel shall include fuel consumed in the electric utility's generating stations and the cost of power purchased ~~excluding capacity charges~~ by the electric utility for use in Maine, pursuant to regulations promulgated by the commission under this section **and in accordance with the requirements of subsection 4.**

Sec. 2. 35 MRSA § 131, sub-§ 4, as enacted by PL 1977, c. 689, § 1, is amended to read:

4. Scope of adjustment. Changes in the cost of fuel consumed in the electric utility's generating stations and changes in the cost of power purchased ~~excluding capacity charges~~ by the electric utility for use in Maine shall constitute the only items subject to adjustment, pursuant to regulations promulgated by the

commission under this section. **Changes in the cost of purchased power subject to adjustment to the utility shall exclude capacity charges, except to the extent that these charges are included in the cost of power purchased from a small power producer or cogenerator and to the extent the commission deems just and reasonable, considering the displacement of fossil fuel which can be made possible by the use of renewable resources and by the efficiencies of cogeneration in the production of energy.** Credits received by the utility for fuel or the fuel component of either purchased power or power sold to other utilities, including credits associated with purchased energy received from the savings fund of the New England Power Exchange, shall be considered changes in the cost of fuel for the purposes of the fuel cost adjustment, pursuant to regulations promulgated by the commission under this section.

STATEMENT OF FACT

This bill permits capacity charges, incurred by utility purchases of power from small power producers or cogenerators that use renewable sources of energy, to be included in the fuel adjustment clause. Because the present exclusion of these charges from the fuel adjustment clause tends to discourage utility purchases of energy from those projects, this bill furthers the purposes of Public Law 1979, chapter 421.